

*Thematic Global Evaluation of European  
Commission Support to agricultural  
commodities in ACP countries*

Final Report

Volume 2: Annex 5

April 2012

*Evaluation for the European Commission*







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nuary

Framework contract for  
**Multi-country thematic and regional/country-level strategy  
evaluation studies and synthesis in the area of external co-  
operation**

**LOT 1:  
Multi-Country Evaluation Studies of Economic  
sectors/themes of EC External Cooperation**

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**Thematic global evaluation of European  
Commission support to agricultural  
commodities in ACP countries**

**FINAL REPORT**

**VOLUME 2: ANNEX 5**

**April 2012**

**This evaluation was carried out by**





This report has been prepared by the consortium led by EGEVAL II (ADE and Particip), with DRN, ECDPM, ODIE and DIE

The author accepts sole responsibility for this report drawn up on behalf of the Commission of the European Communities.

The report does not necessarily reflect the views of the Commission.



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## Annex 5: Product Fiches

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Eight products were selected for more detailed study under the evaluation of Commission support to agricultural commodities: **cashew nuts, cocoa, coffee, cotton, palm oil, rice, tea** and **vanilla**. For each of these products information was collected during the desk phase and in the countries visited; in four of the visited countries focus groups with beneficiaries and sector stakeholders were also organised to gain views on the support offered by the Commission to the sector. Information was collected at the level of each indicator where relevant and available.

This annex in the form of eight product fiches presents the findings per product by theme. It should be noted that for five of the eight products findings are limited to only one or two observations, as follows:

- Vanilla: only one field observation of support in Madagascar;
- Rice: information from the desk study of a project in the Caribbean and from information gathered in Madagascar (where rice is mainly grown as a food crop);
- Palm oil: information gathered when available from three visited countries but the product was not the main focus of investigation during these field visits;
- Cocoa and tea: observations limited to one country each and one project within each country but in-depth analysis of these projects and organisation of focus group.

For these five products, information was also extracted from the *All ACP Agricultural Commodities programme* when activities had been undertaken related to these products. However, on the whole, it should be noted that the findings for these five products can at best highlight some aspects of the Commission's support to these products and cannot be used to draw general lessons by product.

More complete information was obtained for the other three products:

- Cotton foremost where information was obtained from the desk study of three projects, two field visits, including one focus group, and information drawn from the *All ACP Agricultural Commodities programme*;
- Coffee where information was obtained from the desk study of one project, observations in four countries visited and one focus group; *and*,
- Cashew nuts covered by three projects during the desk study phase and addressed in three of the eight visited countries.

For these products, and in particular for cotton where the *All ACP Agricultural Commodities programme* provided special focus and thus yielded a lot of information about Commission support, the information gathered has enabled a more global level of analysis to be undertaken.

This analysis, presented below in individual product fiches accompanied by the data collection grids presenting detailed information gathered for each product<sup>1</sup>, will be used as

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<sup>1</sup> The data collection grids that are presented as annexes to the product fiches only present the Indicators, Judgment Criteria and Evaluation Questions for which relevant information was available and collected. Indicators and Judgment Criteria that contained no information for the product were taken out of the grid. The complete grids will be found in the annexes of the draft final report.

building stones for answering the evaluation questions (EQs) and formulate conclusions and recommendations at a general level. This will be provided in the draft final report. Although information in the product fiches remains at the level of findings (without answering the EQs and providing specific conclusions and recommendations), they also provide an overall assessment for each product.

The table below summarises the sources of information analysed for each product.

**Table 1: Sources of information analysed for the eight product fiches**

Products	Interventions studied on documents only (desk phase)	Field visits	Country Focus Groups
<b>Cashew nuts</b>	Burkina Faso: Appui à la valorisation des ressources agricoles locales: filières anacarde et sésame - DCI-NSAPVD/2007/019-615/contract n°149561	Burkina Faso, Ivory Coast, Tanzania	
	Côte d'Ivoire: Structuration professionnelle de la filière anacarde : une contribution durable pour la paix - ONG-PVD/2003/004-562/contract n°64188		
	Senegal: Insertion favorable des organisations paysannes professionnelles de la région de Kolda sur des marchés porteurs des filières sésame et noix de cajou - ONG-PVD/2006/018-227		
<b>Cocoa</b>	Ghana: Ghana Cocoa Sector Support Programme - Phase II - FED/2007/019-650	Ghana, Cameroun <sup>2</sup>	Ghana
<b>Coffee</b>	Ethiopia: Coffee Improvement Programme IV (CIP IV) - FED/2001/015-643	Cameroun, Madagascar, Tanzania, Uganda	Cameroun
<b>Cotton</b>	Burkina Faso: PAFFIC - Programme d'Appui Financier à la Filière Coton - FED/2008/019-754	Burkina Faso, Ivory Coast	Burkina Faso
	Ivory Coast: Réhabilitation agricole en zone élaéicoles et cotonnières de Côte d'Ivoire - FED/2008/020-255		
	Mali: Programme d'appui à la Réforme de la Filière Coton - FED/2006/020-723		
<b>Palm Oil</b>	Ivory Coast: Réhabilitation agricole en zone élaéicoles et cotonnières de Côte d'Ivoire - FED/2008/020-255	Cameroon, Ivory Coast, Ghana	
<b>Rice</b>	Caribbean: Support to the competitiveness of the rice sector in the Caribbean - FED/2003/016-291	Madagascar	
<b>Tea</b>		Tanzania, Uganda	Tanzania
<b>Vanilla</b>		Madagascar	

Source: ADE, 2011

<sup>2</sup> Vanuatu benefited from a Stabex payment for cocoa during the period but it wasn't used in the cocoa sector. Cameroun gave some support to the cocoa sector but this was not identified in CRIS.

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# Cashew nut - Product Fiche

## 0. Identification of the product

	<ul style="list-style-type: none"> <li>▪ Cashew</li> <li>▪ <i>Anacardium occidentale</i></li> </ul> <p>The cashew “nut” – seed of the cashew tree fruit – is a popular snack, eaten on its own or used in cooking recipes. Cashew oil can be extracted from the nut for use in the cosmetic industry.</p> <p>The cashew “apple”, false fruit located above the “nut” can be eaten fresh or turned into paste, syrup or fermented into alcohol<sup>3</sup>.</p> <p>The cashew nutshell liquid (CNSL) can be used in the pharmaceutical sector for its antibacterial properties and in the automotive industry for brake fluids. Other uses include for insecticides, paint and electrical insulation.</p> <p>The wood of the cashew tree is used in tropical countries and its resin can be used to make varnish<sup>4</sup>.</p> <p>Other nuts are sometimes used as substitutes for cashew nuts, such as peanuts, pine nuts, almonds, pecans...</p>
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<sup>3</sup> <http://www.unctad.org/infocomm/francais/anacarde/utilisat.htm> online August 25 2010

<sup>4</sup> <http://organiccashewnuts.com/learnmore.htm> online August 25 2010.

## 1. Commission support to the product

Commission support to cashew nut over 2000-2009 has been as follows (in Euros):

**Table 2: Commission support to Cashew nuts per country**

Countries	Planned amount
MOZAMBIQUE	227,350
BURKINA FASO	586,207
SENEGAL	696,185
IVORY COAST	1,926,895
<b>Grand Total</b>	<b>3,436,636</b>

*Source: ADE Inventory based on CRIS*

**Table 3: Commission support to Cashew nuts per budget line**

Budget lines	Planned amount
FOOD	227,350
FED	500,925
DCI-NSAPVD	586,207
ONG-PVD	2,122,154
<b>Grand Total</b>	<b>3,436,636</b>

*Source: ADE Inventory based on CRIS*

**Table 4: Commission support to Cashew nuts per Communication priority and country in Euros**

Support by priority and countries	Planned amount
<b>Priority 2 (Competitiveness)</b>	<b>2,748,883</b>
BURKINA FASO	586,207
IVORY COAST	1,239,141
MOZAMBIQUE	227,350
SENEGAL	696,185
<b>Priority 4 (Diversification)</b>	<b>687,754</b>
IVORY COAST	687,754
<b>Grand Total</b>	<b>3,436,636</b>

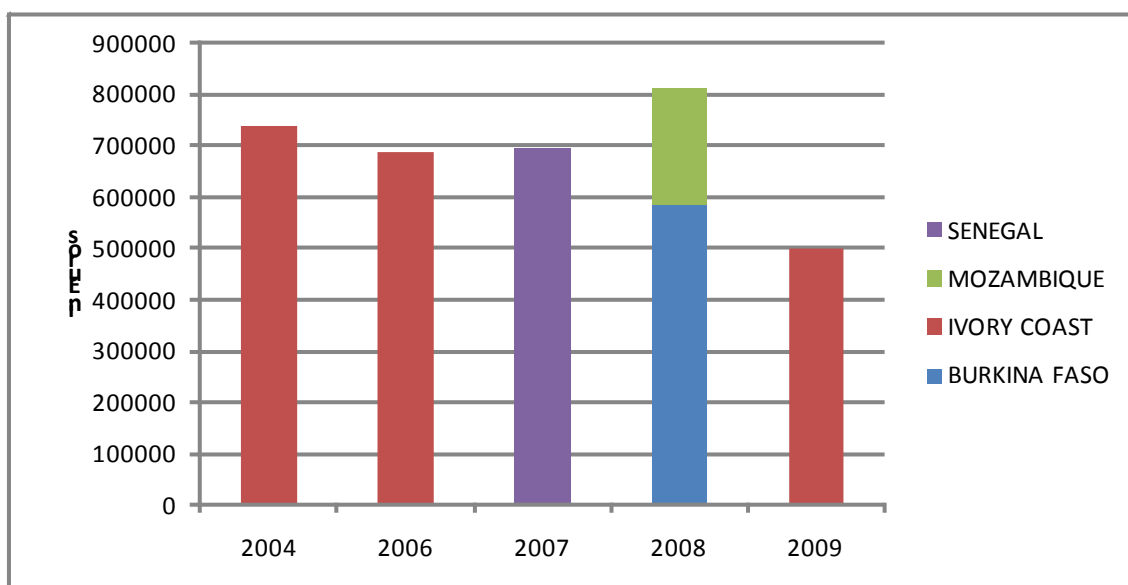
*Source: ADE Inventory based on CRIS*

**Table 5: Commission support to Cashew nuts per area of support**

Areas of support and countries	Planned amount
<b>Farmer organisation</b>	<b>696,185</b>
SENEGAL	696,185
<b>Research / Study</b>	<b>500,925</b>
IVORY COAST	500,925
<b>Support to diversification</b>	<b>687,754</b>
IVORY COAST	687,754
<b>Support to producers</b>	<b>596,057</b>
BURKINA FASO	586,207
MOZAMBIQUE	9,850
<b>Value Chain</b>	<b>955,716</b>
IVORY COAST	738,216
MOZAMBIQUE	217,500
<b>Grand Total</b>	<b>3,436,636</b>

*Source: ADE Inventory based on CRIS*

**Graph 1: Evolution of contracted amounts per year per country, 2000-2009**



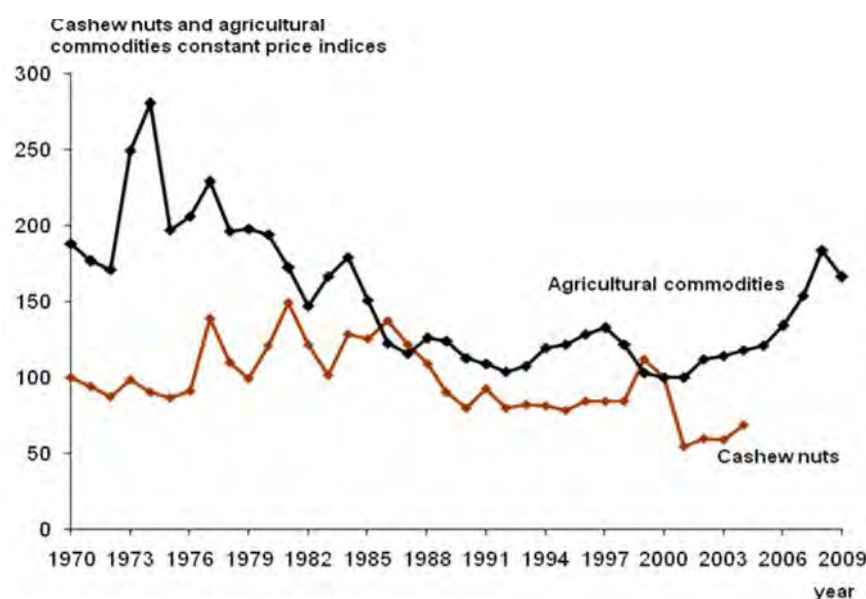
*Source: ADE Inventory based on CRIS*

## 2. Main characteristics of the sub-sector

### 2.1 Cashew prices

The evolution of the cashew world prices (in constant 2000 US cents/kg) since 1970 is represented on graph below. Prices are for the W320 cashew nut, the international reference. No price data is available beyond 2004.

**Graph 2: Evolution of cashew nut (W320) and agricultural commodities world price index (year 2000 = 100)**



Source: UNCTAD Info Comm and World Bank commodity price data

Source: UNCTAD Info Comm & World Bank, commodity price data

After a strong price increase at the end of the 1970s, cashew nut prices fluctuated strongly during the 1980s before going through a strong decrease from the mid-1980s to 2001. A slight increase followed until 2004; data beyond that year is not available. The general trend of cashew prices has been slightly different than the one of agricultural commodities, with a slower downward trend for cashew nuts. Price peaks also differ slightly in time and amplitude.

There is to this day no Stock Exchange quotation or international contracts system for cashew nuts.



Main factors influencing cashew nut price are:<sup>5</sup>

- The supply of raw nuts (which has varied a lot in the past years)
- The behaviour of certain actors on the market: market manipulation by traders, speculation, market anticipation by processors...
- The price of substitute products (especially almonds)
- Exchange rate fluctuations

Cashew nuts are considered as a “lifestyle commodity” and demand for cashew nuts is therefore subject to the fluctuations of the world economy. Seasons also play a role, with a quarter of cashew nut consumption occurring during the end of year festivities. Cashew nuts prices influence demand significantly, with processors and retailers substituting different sorts of nuts on shelves or in mixes depending on their relative prices.

## 2.2 Evolution of cashew nut production

The main cashew nut producers are Vietnam, Nigeria, India, Côte d’Ivoire and Brazil (the sum of these countries accounted for 82 percent of cashew nut production in 2008). Other large producers include the Philippines, Tanzania, Guinea-Bissau (where cashew nuts represent the main agricultural production), Mozambique and Benin.

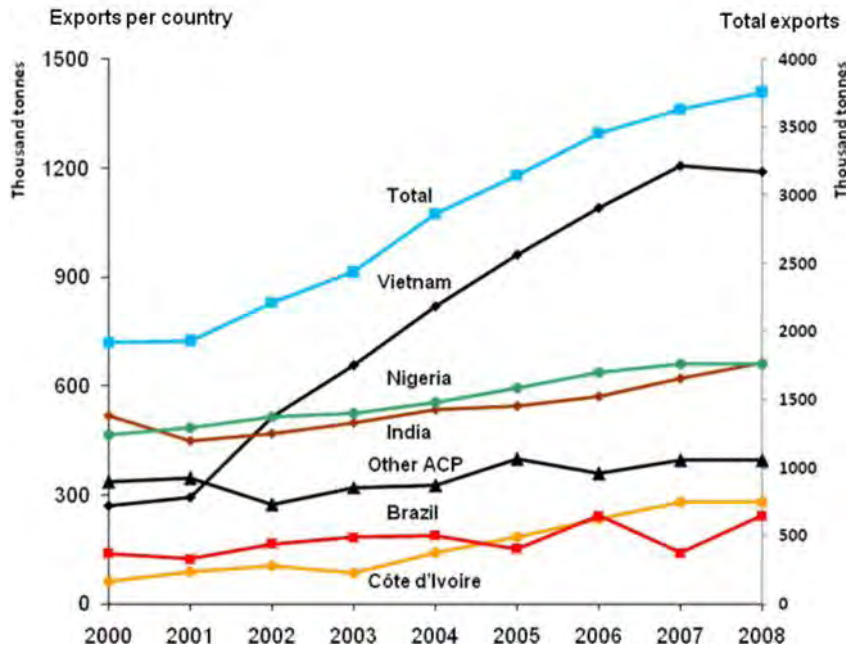
The share of ACP countries in the total cashew nut production declined rapidly from the mid-1970s (when their share was over 60 percent) to 1990 when it reached a record low 20 percent. After rising in the 1990s and declining again, ACP share has stabilized around 35 percent since 2003. This decrease can be attributed to a decline in Mozambique’s production (formerly the most important producer) in the 1970s and 1980s and the rise in Asian production, notably in India and Vietnam (where production has increased the most significantly from 140,000 tonnes in 1990 to 1.2 million tonnes in 2007). Nigerian production has also risen very fast in the 1990s from 30.000 tonnes in 1990 to more than 500,000 tonnes in 2002, then continued to grow but at a slower pace<sup>6</sup>. The evolution of cashew nut production over the past decade is represented on the graph below.

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<sup>5</sup> Horus Entreprises, Long term trends in the international cashew market and implications for African exporters – Final report. September 2005.

<sup>6</sup> Adapted from FAOStat data

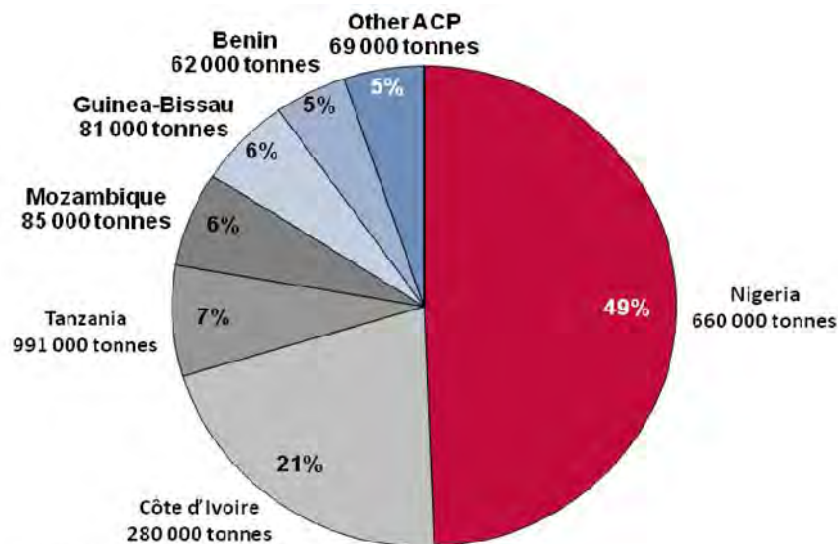
**Graph 3: Cashew nut (with shell) production from 2000 to 2008**



Source: FAOStat

Cashew nuts production shares of ACP countries in 2008 are represented on graph 4 below.

**Graph 4: Shares of ACP cashew nut (with shell) production in 2008**



Source: FAO

As of 2006, only 3 percent of cashew nuts came from large plantations while 97 percent came from wild growth and small farms<sup>7</sup>. In India, smallholder farms coexist with large plantations established by local authorities. Brazilian cashew farmers are usually small-scale but some operate on very large-scale farms. In Vietnam, cashew nuts occupy less than 1 hectare of the farm. African cashew farmers are practically all smallholders<sup>8</sup>.

After stagnating in the 1970s and beginning of the 1980s, the world cashew nut production has increased dramatically – especially in the past ten years. The evolution of yields is represented in the table below.

**Table 6: Evolution of cashew nut yields between 1970 and 2008 (in kg/ha)**

Year	Brazil	Côte d'Ivoire	India	Nigeria	Vietnam
1970-1979	-	-	415	625	700
1980-1989	-	136	441	625	718
1990-1999	206	335	596	720	1183
2000-2008	252	398	689	1913	2502

Source: Adapted from FAOStat  
 - : Data unavailable

Large producers like Brazil, Côte d'Ivoire and India have seen relatively slow progress in yields even though they account among the largest producers. In Nigeria and Vietnam however, yields have been increasing especially in the past ten years and are more than the triple of those in the other main three producing countries.

## 2.3 Evolution of cashew nut markets

Brazil, India and Vietnam play a major role in the production of cashew nuts but also in processing. They currently have an export ban on raw cashew nuts (nuts in their shells). Whereas Vietnam and Brazil process mostly their own production, India is the world's largest importer of raw cashew nuts. Shelled (or processed) cashew nuts are then exported to the EU, the USA, etc.

As a result, all major exporters (except for Indonesia) of raw cashew nuts are African countries whereas Vietnam, India and Brazil are main exporters of shelled cashew nuts.<sup>9</sup> Processing industries that were established by African governments in the 1960s and 1970s have since then gone broke or been liberalized with little success<sup>10</sup>.

One reason contributing to India's dominance of raw cashew imports is that the Indian government subsidizes the cashew industry. Indian companies can therefore offer better

<sup>7</sup> <http://www.unctad.org/infocomm/francais/anacarde/ecopol.htm> online August 26 2010

<sup>8</sup> Horus Entreprises, Long term trends in the international cashew market and implications for African exporters – Final report. September 2005.

<sup>9</sup> Adapted from FAOStat database

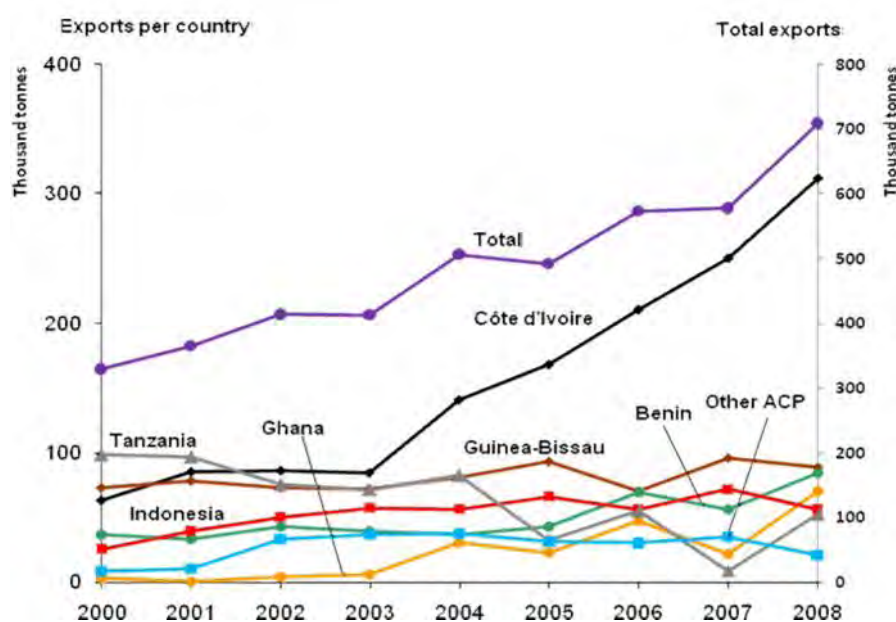
<sup>10</sup> [http://ec.europa.eu/development/body/publications/courier/courier196/fr/fr\\_045.pdf](http://ec.europa.eu/development/body/publications/courier/courier196/fr/fr_045.pdf) online August 26 2010

prices to African farmers and outdo African processors<sup>11</sup>. Certain African countries protect their industry by imposing export taxes on raw cashew nuts. Other countries (such as Senegal) have completely liberalized their market<sup>12</sup>.

Vertical integration of the cashew value chain exists in the case of certain companies such as Olam International<sup>13</sup>. Some steps of the chain are also relatively concentrated: a few trading houses represent the majority of cashew imports<sup>14</sup>.

Exports of cashew nuts with shell are represented on graph 5 and imports of cashew nuts without shell on graph 6.

**Graph 5: Exports of cashew nuts with shell through 2000-2008**



Source: FAOStat

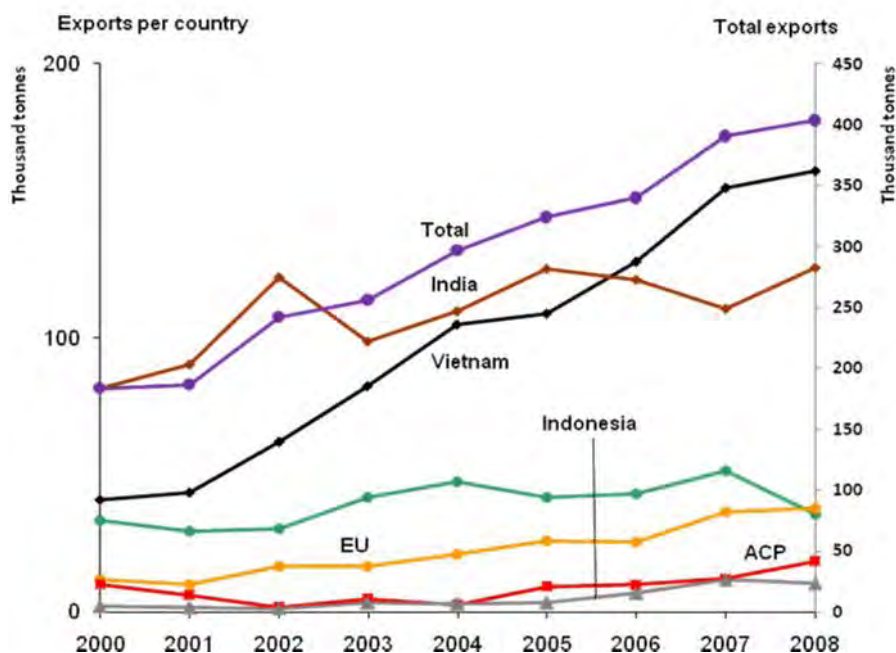
<sup>11</sup> <http://www.thehindubusinessline.com/2001/11/23/stories/072315b2.htm> online August 26 2010

<sup>12</sup> <http://organiccashewnuts.com/chap2.htm> online August 26 2010

<sup>13</sup> <http://216.69.164.44/ipp/guardian/2008/08/09/120214.html> online August 26 2010

<sup>14</sup> Horus Entreprises, Long term trends in the international cashew market and implications for African exporters – Final report. September 2005.

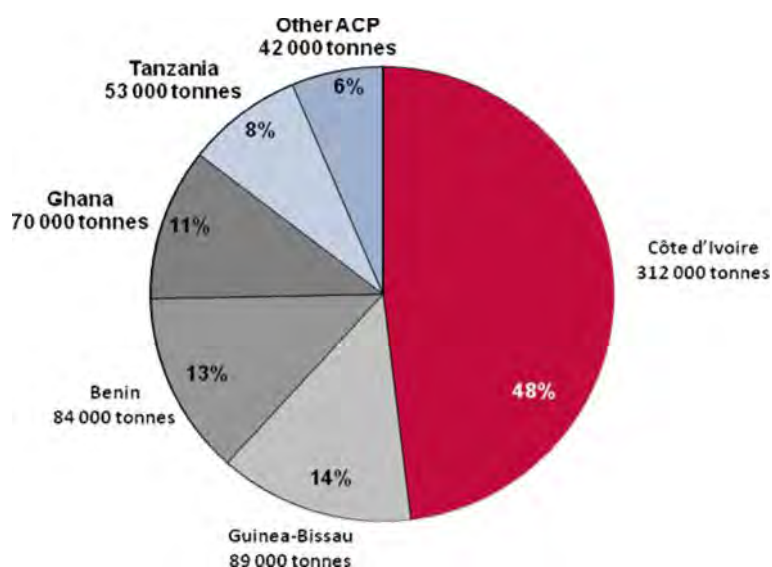
**Graph 6: Cashew nuts (without shell) imports through 2000-2008**



Source: FAOStat

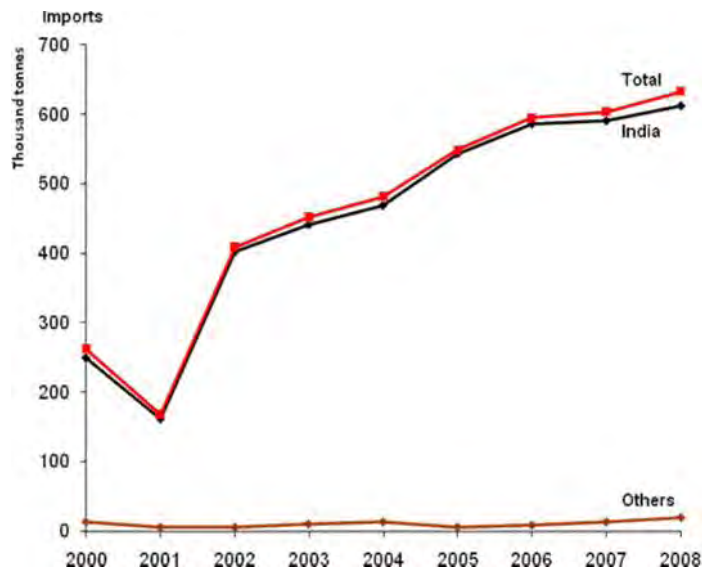
Among ACP countries, the shares of cashew nuts (with shell) exports in 2008 are represented on graph below.

**Graph 7: Shares of ACP cashew nuts (with shell) exports in 2008**



Graph 9 illustrates how virtually all cashew nuts with shell are exported to India.

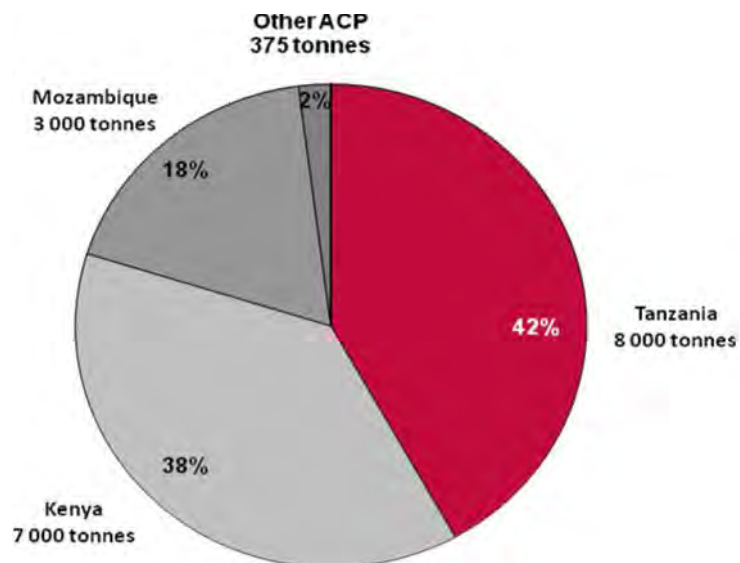
**Graph 8: Cashew nuts (with shell) imports through 2000-2008**



Source: FAOStat

There are very few ACP countries who export significant amounts of cashew nuts without shells. Among them are Tanzania, Kenya and Mozambique (see graph below).

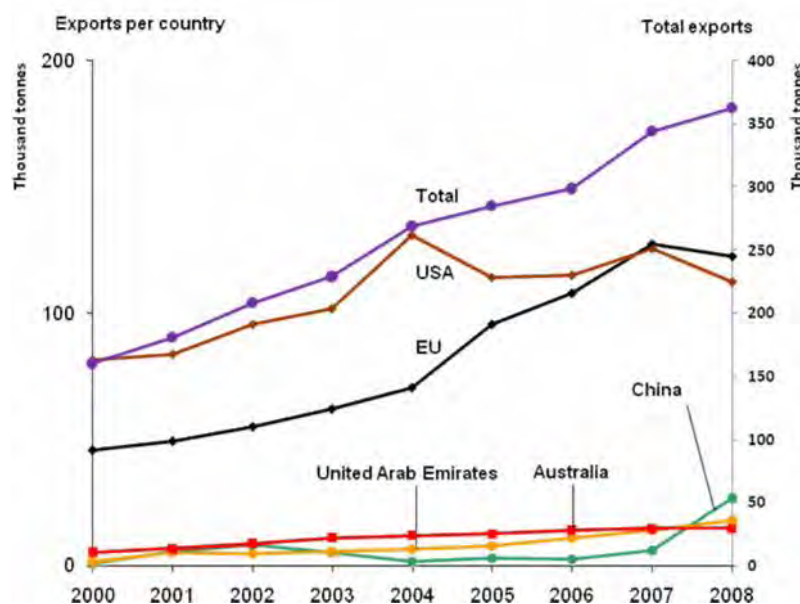
**Graph 9: Shares of ACP cashew nuts (without shell) exports in 2008**



Source: FAOStat

Imports of the « final product » - cashew nuts without shells – over the past decade are represented on graph below.

**Graph 10: Cashew nuts (without shell) imports through 2000-2008**



Source: FAOStat

### 3. Summary of the main findings arising from the desk and field analysis for the product

#### 3.1 Importance of cashew nuts in analysed countries

By far, two ACP countries are the main cashew nut (with shells, not processed) producers: Nigeria and Ivory Coast. Between 2003 and 2008, Ivory Coast largely increased its exports of cashew nuts with shells. Exports from Ivory Coast reached 312,000 tonnes in 2008 while its production was 280,000 tonnes. This indicates that Ivory Coast imported cashew nuts from other African countries to re-export them *(J1.1)*.

The bulk of cashew nuts produced in ACP countries is sold with shells to Indian importers. Cashew nuts are then mainly processed outside ACP countries providing little added value to smallholders. In addition, cashew nuts have to compete with substitution products such as almonds. When prices of cashew nuts are considered too high, processors replace them by substitution products *(J1.2)*.

#### 3.2 Commission's overall support to cashew nuts

According to the inventory, four ACP countries benefited from the 2000-2009 Commission-supported interventions to the cashew nuts sector: Mozambique, Burkina Faso, Senegal and Ivory Coast for a total contracted amount of €3.4 M. Surveyed EU

Delegations confirmed that the Commission intervened in the cashew nuts sector in these four countries during the period 2004-2009. In addition, it appears from the budget monitoring of the *All ACP Agricultural Commodities Programme* that the Commission supported the cashew nuts sector in Mali through **(J1.3, J1.4)**:

- Preparation by the National Cashew Council of an Action Plan for Cashew Development (World Bank; 16,622 €)
- Support to implementation of a cashew action plan (World Bank; 19,842 €)

### 3.3 Commission's support to cashew nuts strategies

It appears that Commission's interventions in ACP countries did not promote the commodity chain approach in the cashew nuts sector and did not promote designing cashew nuts strategies or addressing dependency as a priority in national strategies. However, the *All ACP Agricultural Commodities Programme* supported in Mali the preparation by the National Cashew Council of an Action Plan for Cashew Development and the implementation of a cashew action plan (World Bank). In Senegal and in Burkina Faso, diagnostics of the competitiveness of the cashew nuts value chains were however carried out by NGOs benefiting from the Commission support **(J2.1, J2.2, and J2.3)**.

### 3.4 Coordination of Commission support to cashew nuts

Both in Senegal and in Burkina Faso, Commission-supported interventions in the cashew nuts sector were complementary to interventions financed by with the *Initiative pour le Cajou Africain* funded by the Gates Foundation. Other donors also intervened in the cashew nuts sector:

- In Senegal: the German cooperation, which has co-funded the Gates Foundation initiative; the World Bank and USAID.
- In Burkina Faso: Grand Duchy of Luxembourg, which has co-funded the Gates Foundation initiative.

In both cases, there is no evidence of coordination between interventions supported by the Commission and by other donors **(J3.1, J3.2)**.

### 3.5 Support to competitiveness of the cashew nuts sector

In the cashew nuts sector, there is no evidence that the Commission has contributed to increase production and lower the average cost of production and processing. Outputs which were delivered through Commission-funded interventions in the sector are mainly support to soil fertility, subsidies or credit access for equipment, and processing facilities. In Burkina Faso, the support to processing facilities was reduced during the intervention due to over-capacity. In fact, smallholders prefer selling their cashew nuts to Indian importers than processing them and getting added value for their products **(J4.2)**.

The Commission has contributed to improve the capacity of producers to respond to commodity market requirements, mainly through farmer training to respect quality standards for production and processing and a support to get organic label certification and



access to the EU market. Efforts have been also made to strengthen producer's organisations at national level **(J4.3)**.

Globally, there is no assessment of the impact on incomes of Commission interventions in the cashew nuts sector. In Burkina Faso, the NGO responsible for implementing the Commission-supported intervention has monitored farmers' incomes in the region where it has intervened. However there was no evidence of analysis of the impact on incomes due to the support of the intervention against the support of other donors' interventions in the same region. In Senegal it appears that there was a lack of accounting at farm level, which explains the disorganisation of the cashew nuts value chain. Cashew nuts are sold when smallholder families need cash to face urgent expenditures **(J4.3)**.

### **3.6 Commission's support to risk management**

Cashew nuts are themselves a source of diversification of incomes for smallholders. In ACP countries, cashew nut producers are practically all smallholders. There are two examples of the Commission's contribution to risk management at micro level in the cashew nuts sector in ACP countries.

- In Senegal, the Commission-supported intervention facilitated smallholders' access to credit for the purchase of equipment.
- Through the *All ACP Agricultural Commodities Programme* in Tanzania, UNCTAD carried out a study about a commodity exchange in the cashew nuts sector. The objective of this feasibility study was to look at the possibility to quote Tanzania cashew nut stocks on a trading platform. In addition, a Road Map to guide stakeholders on the creation of Tanzanian Commodity Exchange (TCX) was launched.

In 2007, the Government of Tanzania introduced and operated in some geographical areas a Warehouse Receipt System (WRS) in the cashew nuts sector, with the support of the Common Fund for Commodities, which is partially financed by the Commission. It appears that this system has played a catalytic role in terms of improved agricultural production and productivity, stability of producer prices, improved crop quality, technological uptake, and improved marketing of cashew nuts **(J5.1)**.

The Commission did not support the development of a safety net in complement to its support to the cashew nut sector in visited ACP countries **(J5.2)**.

In visited cashew nuts producing ACP countries, there is no evidence that income variability and vulnerability to price fluctuations of cashew nuts producers and cashew nuts sectors have declined as a result of interventions supported by the Commission in risk management tools **(J5.3)**.

### **3.7 Commission's support to diversification**

The Commission did not support visited cashew nuts producing ACP producers to leave cashew production for other cash or food crops, or other activities through rural development programmes. In fact, cashew nuts are themselves a source of diversification

of incomes for smallholders. In ACP countries, cashew nut producers are practically all smallholders. Cashew nuts offer opportunities for increased incomes amongst rural communities **(J6.2)**.

### **3.8 Cross-cutting issues in Commission's support to cashew nuts**

There was one example where the Commission's support to the cashew nuts sector in visited cashew nuts producing countries took into account transversal policies such as gender, environment and corporate responsibilities. This occurred in Burkina Faso where the Commission-supported intervention has taken into account gender and environment **(J7.3)**.

### **3.9 Different financing instruments and modalities in cashew nuts interventions**

In the cashew nut sector, the Commission used four different budget sources. Nearly 80% of the Commission's support to that sector was implemented by NGO through the DCI-NSAPVD and the ONG-PVD lines. The rest is shared by EDF and the Food Security budget line for which NGOs also carried out activities in the sector **(J8.1)**.

It appears that the main approach to support the cashew nuts sector is the project/programme approach **(J8.2)**. There was no evidence of major delays in that support during the period under review **(J8.3)**.

### **3.10 Alignment with the beneficiaries' needs, priorities and with the COMs**

In visited cashew nuts producing countries, there was no evidence that the Commission conducted analyses of needs and challenges with a view to responding to the needs, problems and issues before designing its support to the cashew nuts sector **(J9.1)**. It appears that there is no strategy adopted in the cashew nuts sector, including policy objectives and priorities. Thus the Commission's support cannot be aligned with this strategy **(J9.2)**.

Based on their nature, it can be noted that the Commission-supported interventions in the cashew nuts sector in visited ACP countries did not contradict the COM's objectives. In fact, the analysed interventions pursued objectives which are either part of the result 2 "*Raised competitiveness - Coping with long term price decline*" or the result 3 "*Compensatory instruments/ risk management*" **(J9.3)**.

#### **4. Overall assessment**

Cashew nuts are themselves an income source which diversifies smallholders' agricultural production incomes. Consequently, the Commission support to cashew nuts can be understood as a support to diversification from other crops.

In visited cashew nuts producing countries, the Commission did not support the design and the implementation of cashew nuts strategies. Commission-supported interventions to cashew nuts were rather carried out by NGOs at small scale and aimed at increasing the competitiveness of smallholders' cashew nuts production and processing. Impact of Commission-supported interventions on smallholder's incomes was not assessed. However, the Commission support allowed delivering outputs such as equipment and trainings with a view to improving market access.



## Cashew nuts - Data collection grid

### EQ1 on the contextual background to the Commission's Communication relative to agricultural commodities

<p>In what ways has the Commission reacted to the long term agricultural commodities price decline and volatility when supporting Commodity Dependent Developing Countries?</p>	
<b>J.1.2</b>	<i>Prices of agricultural commodities exported by ACPs have demonstrated a long-term declining trend and high volatility</i>
<b>I.1.2.2</b>	Price trend of CDDCs main agricultural commodities over the last 50 years
<b>Cashew nuts</b>	<p style="color: blue;">Evolution of cashew nut (W320) world prices (in constant year 2000 US cents/kg) and of the agricultural commodities world constant price index (year 2000 = 100)</p> <div style="text-align: center;"> <p style="font-size: small;">Cashew nut constant world price (cents/kg) Agricultural commodities constant price index</p> <p style="font-size: x-small;">Source: UNCTAD Info Comm and World Bank commodity price data</p> </div> <p>After a strong price increase at the end of the 1970s, cashew nut prices fluctuated strongly during the 1980s before going through a strong decrease from the mid-1980s to 2001. A slight increase followed until 2004 and data beyond that year is not available. The general trend of cashew prices has been slightly different than the one of agricultural commodities, with a slower downward trend for cashew nuts. Price peaks also differ slightly in time and amplitude.</p> <p><i>Source: Cashew nut Product Fiche (from UNCTAD Info Comm and World Bank Commodity Price Data)</i></p>
<b>I.1.2.3</b>	Product specific issues having affected individual products' prices over the last 10 years
<b>Cashew nuts</b>	<p>En Guinée Bissau et en Côte d'Ivoire par exemple, l'ensemble de la production de noix de cajou (état brut et sans grand valeur ajoutée) est exporté/commercialisé vers des entreprises indiennes qui en assurent le décorticage, le traitement et l'emballage (ressources techniques manquantes dans la région de l'Afrique de l'Ouest). (<i>Source : WAF R.SP 2008-2013 p.16</i>).</p>

	<p>There are to this day no financial ratings or international contracts for cashew nuts. Main factors influencing cashew nut price are:<sup>15</sup></p> <ul style="list-style-type: none"> <li>▪ The supply of raw nuts (which has varied a lot in the past years)</li> <li>▪ The behaviour of certain actors on the market: market manipulation by traders, speculation, market anticipation by processors...</li> <li>▪ The price of substitute products (especially almonds)</li> <li>▪ Exchange rate fluctuations</li> </ul> <p>Cashew nuts are considered as a “lifestyle commodity” and demand for cashew nuts is therefore subject to the fluctuations of the world economy. Seasons also play a role, with a quarter of cashew nut consumption occurring during the end of year festivities. Cashew nuts prices influence demand significantly, with processors and retailers substituting different sorts of nuts on shelves or in mixes depending on their relative prices. <i>Source: Cashew nut product fiche</i></p>
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## EQ2 on the Commission’s support in terms of agricultural commodity strategy development

To what extent has the Commission’s support enabled the design of agricultural commodity strategies in commodity dependent ACP countries and regions?																
<b>J.2.1</b>	<i>The Commission has promoted commodity chains and addressing dependence as a priority in national strategies</i>															
<b>I.2.1.2</b>	Evidence that the Commission support encouraged the analysis of the sustainability, poverty implications and needs of commodity sectors as part of strategy development															
<b>Cashew nut</b>	<p>Au niveau du projet (réalisé par une ONG dans une région du Sénégal – c’est donc une micro-stratégie pour un groupe cible bien déterminé sur 2 produits, le sésame et l’anacarde) il y a effectivement eu une analyse relativement poussée des facteurs de contrainte de la filière (ceci avec la population) :</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #d3d3d3;"> <th style="width: 15%;">Niveau</th> <th style="width: 45%;">Principales Contraintes des filières</th> <th style="width: 40%;">Action proposée</th> </tr> </thead> <tbody> <tr> <td colspan="3" style="text-align: center;">ANACARDE</td> </tr> <tr> <td>Revenu ruraux</td> <td>-Faiblesse et forte variabilité de la rémunération de la production (variété locale de qualité inférieure, forte variation sur le marché mondial, exportation de produit brut)</td> <td>-entrée sur les marchés porteurs du commerce équitable et labellisation AB, -programme d’équipement de transformation locale,</td> </tr> <tr> <td>Productivité des plantations</td> <td>-faible qualité de la variété locale -difficultés d’accès au petit matériel -faiblesse de l’encadrement technique</td> <td>-facilitation de l’accès aux semences de qualité et au petit matériel, -renforcement des capacités d’encadrement des OP.</td> </tr> <tr> <td>Commercialisation</td> <td>-position dominante des intermédiaires comme conséquence d’un faible pouvoir de négociation des OP (méconnaissance du marché export et monopole Inde)</td> <td>-programme de renforcement des capacités commerciales et organisationnelles des OP -appui aux OP pour l’obtention de la certification commerce équitable</td> </tr> </tbody> </table>	Niveau	Principales Contraintes des filières	Action proposée	ANACARDE			Revenu ruraux	-Faiblesse et forte variabilité de la rémunération de la production (variété locale de qualité inférieure, forte variation sur le marché mondial, exportation de produit brut)	-entrée sur les marchés porteurs du commerce équitable et labellisation AB, -programme d’équipement de transformation locale,	Productivité des plantations	-faible qualité de la variété locale -difficultés d’accès au petit matériel -faiblesse de l’encadrement technique	-facilitation de l’accès aux semences de qualité et au petit matériel, -renforcement des capacités d’encadrement des OP.	Commercialisation	-position dominante des intermédiaires comme conséquence d’un faible pouvoir de négociation des OP (méconnaissance du marché export et monopole Inde)	-programme de renforcement des capacités commerciales et organisationnelles des OP -appui aux OP pour l’obtention de la certification commerce équitable
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<sup>15</sup> Horus Entreprises, Long term trends in the international cashew market and implications for African exporters – Final report. September 2005.

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<b>I.2.1.6</b>	Evidence that the Commission coordinated its approach to national strategy development with other donors and international organisations			
<b>BF Cashew nut</b>	Le MR précise que la logique du projet est clairement orientée vers le marché mais le projet présente de fortes synergies avec d'autres programmes, certains de grande envergure, notamment sur l'anacarde avec l'Initiative pour le Cajou Africain, financé par la Fondation Gates et la coopération allemande GTZ. ( <i>Source : MR p. 2</i> ).			
<b>I.2.1.7</b>	National development strategies have integrated a strong consideration of the problems and issues surrounding agricultural commodity dependence and these problems and issues have been addressed in a cross-sectoral manner			
<b>BF Cashew nut</b>	L'intervention (BF-ANSE) précise les enjeux liés à la filière anacarde au Burkina Faso. La filière anacarde fait face à: manque de maîtrise de la qualité, difficulté de commercialisation sur le marché international, manque de services adaptés à des filières peu encadrées, difficulté d'accès aux informations technico-économiques sur le marché. L'anacarde (noix de cajou) présente également un potentiel de diversification des revenus intéressant, bien que la production actuelle du Burkina Faso reste faible et peu structurée. Des plantations existent dans les régions cibles de l'action mais les exigences du marché international ne sont pas maîtrisées par les producteurs. L'anacardier est un arbre rustique valorisable économiquement, c'est pourquoi il est considéré comme un arbre adapté au développement économique de zones défavorisées et a été introduit dans les zones de savanes arborées de plusieurs pays d'Afrique de l'Ouest. <i>Source : Annexe I. description de l'action p. 4</i>			
<b>J.2.2</b>	<b><i>The Commission's support has stimulated the design of commodity strategies by CDDCs and their incorporation into national and regional development strategies</i></b>			
<b>I.2.2.1</b>	Evidence that the Commission ensured the availability of diagnostics of the competitiveness of agricultural commodity value chains (Domestic Resource Cost studies)			
<b>CI Cashew nut</b>	Un atelier de concertation, organisé par RONGEAD et INADES-Formation Burkina Faso, qui s'est tenu en décembre 2007, a permis d'identifier les principaux problèmes rencontrés par les associations de planteurs et des opérateurs qui pratiquent le décorticage des noix de cajou dans le cadre d'une analyse de la chaîne de valeur de la filière anacarde. ( <i>Source : Annexe I. description de l'action p. 4-5</i> ) Pour les cultures de diversification, les appuis institutionnels (études ou renforcement des capacités) pourront être complétés par le renforcement des services apportés aux petits producteurs (vulgarisation agricole, fourniture de matériel végétal amélioré, etc.). <i>Source : Rider FA p.5 CI-REH</i>			

### EQ3 on the Commission's coordination with international organisations including ICBs

To what extent has the Commission encouraged other international organisations including ICBs to adopt the Communications' approach to agricultural commodity chains?	
<i>J.3.2</i>	<i>The Commission's interventions have been complementary to those of other donors in the field of agricultural commodities</i>
<b>BF</b> <b>Anacarde</b>	Pour l'anacarde-sésame, l'intervention de la Commission menée à partir de la Délégation a été complémentaire : Anacarde: encadrement RONGEAD/ INADES-B (CE) et support Fondation Gates/ GDL
<b>I.3.2.1</b>	Synergies have been noted between interventions supported by the Commission with those supported by other donors
<b>BF</b> <b>Cashew nut</b>	Le <b>MR précise que</b> la logique du projet est clairement orientée vers le marché mais le projet présente de fortes synergies avec d'autres programmes, certains de grande envergure, notamment sur l'anacarde avec l'Initiative pour le Cajou Africain, financé par la Fondation Gates et la coopération allemande GTZ. ( <i>Source : MR p. 2</i> ). Les cultures de diversification telles que l'anacarde offrent des opportunités majeures pour augmenter les revenus en milieu rural. Des réformes sont en cours pour améliorer la structuration de ces filières nouvelles, et reçoivent déjà des appuis d'autres bailleurs (Banque Mondiale, USAID, GTZ) mais, en réponse aux sollicitations des acteurs publics et privés, les fonds FLEX pourraient apporter une contribution complémentaire utile pour améliorer la compétitivité de ces secteurs au pour contribuer aux efforts visant à améliorer la productivité des planteurs. Pas de synergies On peut trouver une complémentarité au niveau des appuis à l'anacarde l-sésame: encadrement RONGEAD et INADES-B (DUE) et support Fondation Gates/ GDL. <i>Source : Rider FA p.5</i>

### EQ 4 on the Commission's support in terms of competitiveness of agricultural commodity chains in CDDCs

To what extent has the Commission's support helped to improve the competitiveness of agricultural commodity chains in commodity dependent recipient countries?	
<i>J.4.2</i>	<i>Commission support has contributed to increase agricultural commodity production and lower the average cost of production and processing</i>
<b>BF</b> <b>Anacarde</b>	Malgré l'appui de la Commission à travers différentes interventions relatives aux produits agricoles de base (dont le secteur coton fut le plus grand bénéficiaire), il n'y a pas eu d'accroissement significatif et durable de la production de produits de base agricoles et il n'y a pas d'évidences que les coûts de production et de transformation des produits de base agricoles ont diminué. Quelques éléments positifs sont néanmoins relevés : <ul style="list-style-type: none"> <li>▪ Projet anacarde-sésame (Rongead/ Inades) : pas d'augmentation de la production de l'anacarde en lien avec le support de la CE mais développement de la transformation à petite échelle</li> </ul>
<b>I.4.2.2</b>	Commission support contributed to improve production factors and farmers access to them (e.g. extension services/agricultural techniques, water, fertilizers, seeds, energy)



<p><b>BF</b> <b>Anacarde</b></p>	<p>Pour le projet anacarde/ sésame mis en œuvre par RONGEAD (ONG française) et INADES-B, les activités sont : accompagnement dans le temps, formation, analyse des résultats, renforcement des capacités, appui-conseil pour la transformation, actions d'équipement de transformation – surtout pour le volet anacarde. Il y a eu un accroissement conséquent du nombre d'unités de transformation d'anacardes. Mais finalement le volet équipement a été réduit du fait du boum dans l'équipement auprès des producteurs (l'INADES ne voulait pas financer de nouveaux équipements de transformation alors qu'il y avait déjà surcapacité de transformation) L'INADES s'est alors adapté et a donné plus d'appui, notamment avec le miel qui est en lien avec l'anacardier (expérimentation). L'appui à la formation pour la production cible l'augmentation de rendement. Pour les formations à la transformation, INADES travaille avec les producteurs sur les normes standards de qualité avec les exportateurs (commerçants en relation avec des Indiens, par exemple). A noter qu'il y a une surcapacité des unités de transformation de l'anacarde (suite notamment à l'achat direct par les Indiens). Les femmes parties prenantes de la filière n'ont pas assez de noix pour faire la transformation sur place. <i>Source : MN551</i></p>
<p><b>SN-ONG</b> <b>Cashew nut</b></p>	<p>Pour l'anacarde, deux centres de conditionnement ont été installés. Pour la fertilité, un nombre limité de compostières (5 sur Velingara, aucune à Sedhiou), sont entrées en fonctionnement. Des formations en culture attelée ont été dispensées et certains producteurs vont pouvoir accéder aux crédits d'équipement. Le processus de certification AB et CE a été mis en place, l'appui à l'accès aux marchés correspondants a été fourni, ainsi que la mise en place d'infrastructures (2 unités de transformation d'anacardes); Programme d'optimisation de la fertilité (stabulation); crédit d'équipement; renforcement des organisations. <i>Source: MR (ROM)</i></p>
<p><b>J.4.3</b></p>	<p><b><i>Commission support has contributed to improve the capacity of producers to respond to commodity market requirements</i></b></p>
<p><b>BF</b> <b>Anacarde</b></p>	<p>Au niveau de l'anacarde (RONGEAD/ INADES-B), l'intervention soutenue par la Commission contribue à coordonner les organisations de producteurs au niveau national (et prochainement au niveau régional).</p>
<p><b>I.4.3.3</b></p>	<p>Commission supported interventions contributed to an increased number of producers/ producer organisations being coordinated at national and regional levels</p>
<p><b>BF</b> <b>Anacarde</b></p>	<p>Pour le projet anacarde-sésame mis en œuvre par l'INADES, des activités ont été menées pour organiser les producteurs. Au niveau régional, l'INADES appuie la mise en place d'Unions de producteurs. La prochaine étape est d'avoir une union régionale des producteurs, avec un cadre de concertation. Ce projet est accompagné pour l'anacarde, d'un projet CE d'appui à la décentralisation, dans la région des Hauts Bassins. Pour le sésame, le travail est effectué avec l'Union des groupements de producteurs. La gouvernance n'est pas bonne pour les groupements de sésame et INADES-B travaille sur ce point avec eux. <i>Source : MN 551.</i></p>
<p><b>J.4.4</b></p>	<p><b><i>Incomes of producers, sector and countries have improved as a result of Commission's support to the implementation of commodity chain strategies</i></b></p>
<p><b>I.4.4.3</b></p>	<p>Evidence that income levels at producer level and within the agricultural sector as a whole have stabilised and increased through:</p> <ul style="list-style-type: none"> <li>▪ The increased competitiveness of the agricultural commodity production</li> <li>▪ A diversification of the sources of income of the agricultural sector through expansion of agricultural commodity value added</li> </ul>

	<ul style="list-style-type: none"> <li>▪ Higher export earnings</li> </ul>
<b>BF Anacarde</b>	<p>Pour le projet anacarde-sésame mis en œuvre par l'INADES-B, en termes de mesure des impacts et de l'augmentation des revenus, l'INADES-B a mis en place des plans de suivi. L'information collectée dans le cadre des projets permet de tracer les résultats obtenus. Mais il ya un besoin d'affiner l'analyse pour voir si INADES-B est la source de l'amélioration des revenus des producteurs. Il y a d'autres partenaires dans la zone : financement Bill et Melinda Gates (ICA), Ministère Environnement (soutenu par la coopération luxembourgeoise). Pour le sésame, l'INADES-B est le seul à intervenir. C'est très parlant en termes de revenus. Par exemple: les semenciers ont été formés et commencent à vendre les semences de sésame, ce qui a permis d'améliorer les revenus. Par ailleurs, l'action INADES-B a permis aux producteurs de faire des ventes groupées, parfois supérieures au prix du marché. <i>Source : MN551</i></p>
<b>Cashew nut</b>	<p>L'étude de la filière entreprise dans le cadre du projet SN-ONG note que la contribution de la production aux revenus familiaux est difficile à évaluer : la vente des noix d'acajou permet de financer certains besoins familiaux (alimentation, éducation des enfants, etc.) mais la production reste principalement liée à des besoins ponctuels (on récolte quand on a besoin d'argent).L'inexistence d'une comptabilité des vergers d'anacarde expliquerait aussi le caractère désorganisé de la filière. <i>Source : Rapport final d'Etude de la filière anacarde, 2010.</i></p>

### EQ 5 on the Commission's support to risk management

<b>To what extent has the Commission's support contributed to protect agricultural commodity producers from income variability through risk management and/or social safety nets?</b>	
<b>J.5.1</b>	<b><i>Commission support has contributed to the development and implementation of risk management and compensatory tools</i></b>
<b>I.5.1.4</b>	Evidence that agricultural commodity strategies supported by Commission interventions addressed risk management
<b>ACP-ACP</b>	<p>In Tanzania, UNCTAD supported a commodity exchange in the cashew nuts sector (completed; 40,000 €). Objectives of this activity:</p> <ul style="list-style-type: none"> <li>▪ Medium term use on the region of Agricultural Commodity Exchange (ACE) as a tool for information and export development</li> <li>▪ Feasibility study to look at the possibility to quote Tanzania cashew nut stocks on trading platform</li> </ul> <p>A Road Map to guide stakeholders on the creation of Tanzanian Commodity Exchange (TCX) was launched. The Road Map and stakeholder support provide the basis for continued action for the establishment of a commodity exchange.</p> <p><i>Source: UNCTAD, Draft 6 Monthly progress report of the All ACP programme for the period from January to June 2011, 22 July 2011</i></p>
<b>I.5.1.6</b>	Evidence that the Commission supported interventions related to risk management at micro-level in order to better cope with agricultural commodity price variability
<b>TZ cashew nuts</b>	The Government of Tanzania introduced a Warehouse Receipt System (WRS) in 2007: it has 'played a catalytic role in terms of improved agricultural production and productivity, stability of producer prices, improve quality of crops, technological

	<p>uptake, and improved marketing of agricultural crops in Tanzania. Other benefits from WRS include storage of crops and sell them when prices are attractive, thus improving incomes; offering guarantees which farmers use to access bank loans; and employment creation. It has been introduced in cashew nuts and paddy and operated in a few geographical areas. The system is about to be introduced to sesame and sunflower.</p> <p>The introduction of WRS also meant that standard measures and standard quality checking system are used for the crop.</p> <p>Another initiative under preparation is the commodity exchange system (not yet launched as of May 2011). <i>Source: PER 2010, MN118</i></p>
<b>I.5.1.7</b>	Evidence that the Commission's support was undertaken in coordination with that of other donors
<b>CI Cashew nuts</b>	Les cultures de diversification telles que l'anacarde offrent des opportunités majeures pour augmenter les revenus en milieu rural. Des reformes sont en cours pour améliorer la structuration de ces filières nouvelles, et reçoivent déjà des appuis d'autres bailleurs (Banque Mondiale, USAID, GTZ) mais, en réponse aux sollicitations des acteurs publics et privés, les fonds FLEX pourraient apporter une contribution complémentaire utile pour améliorer la compétitivité de ces secteurs au pour contribuer aux efforts visant à améliorer la productivité des planteurs. ( <i>Source : Rider FA p.5 CI-REH</i> )
<b>J.5.3</b>	<b><i>Income variability and vulnerability to price fluctuations of producers, sector and countries has declined as a result of improved risk management</i></b>
<b>I.5.3.1</b>	Evidence that the producer can better manage potential agricultural commodity price variability
<b>TZ cashew nuts</b>	The Government of Tanzania introduced a Warehouse Receipt System (WRS) in 2007: it has 'played a catalytic role in terms of improved agricultural production and productivity, stability of producer prices, improve quality of crops, technological uptake, and improved marketing of agricultural crops in Tanzania. Other benefits from WRS include storage of crops and sell them when prices are attractive, thus improving incomes; offering guarantees which farmers use to access bank loans; and employment creation. It has been introduced in cashew nuts and paddy and operated in a few geographical areas. The system is about to be introduced to sesame and sunflower. <i>Source: PER 2010.</i>

### EQ 6 on the Commission's support to diversification

**To what extent has Commission support helped producers, the agricultural sector and commodity dependent ACP countries to successfully diversify around traditional products?**

<b>J.6.1</b>	<b><i>The Commission's support has facilitated the analysis of Government's policy choices aiming for diversification and growth</i></b>
<b>I.6.1.2</b>	Evidence that specific tools have been developed and continue to be used for supporting strategic choices (e.g. competitiveness evaluations of specific commodity chains)
<b>CI Cashew nuts</b>	Pour les cultures de diversification, les appuis institutionnels (études ou renforcement des capacités) pourront être complétés par le renforcement des services apportées aux petits producteurs (vulgarisation agricole, fourniture de

	matériel végétal amélioré, etc.). ( <i>Source : Rider FA p.5 CI-REH</i> )
<b>J.6.2</b>	<b><i>The Commission has encouraged the diversification of sources of livelihoods of traditional agricultural commodity producers through the adoption and implementation of rural growth strategies</i></b>
<b>I.6.2.2</b>	The Commission's rural development strategies and interventions have included considerations for diversification of producers' livelihoods and have addressed international marketing issues
<b>Cashew nuts</b>	Dans le cadre du résultat « R1 : La productivité et la compétitivité des cultures paysannes d'exportation sont améliorées », il est dit « Les cultures de diversification telles que l'anacarde offrent des opportunités majeures pour augmenter les revenus en milieu rural » ( <i>Source : Rider FA p.5</i> ) Dans le cadre de l'activité A.1.b « appui aux petits planteurs d'autres cultures paysannes d'exportation », il pourrait être envisagé d'appuyer d'autres cultures paysannes d'exportation qui contribuent à la diversification des sources de revenus, notamment l'anacarde dans le nord de la Côte d'Ivoire. ( <i>Source : Rider FA p.7</i> )
<b>I.6.2.4</b>	Evidence that support to diversification has been provided in coordination with other donors efforts in this area
<b>CI Cashew nuts</b>	Les cultures de diversification telles que l'anacarde offrent des opportunités majeures pour augmenter les revenus en milieu rural. Des réformes sont en cours pour améliorer la structuration de ces filières nouvelles, et reçoivent déjà des appuis d'autres bailleurs (Banque Mondiale, USAID, GTZ) mais, en réponse aux sollicitations des acteurs publics et privés, les fonds FLEX pourraient apporter une contribution complémentaire utile pour améliorer la compétitivité de ces secteurs au pour contribuer aux efforts visant à améliorer la productivité des planteurs. ( <i>Source : Rider FA p.5 CI-REH</i> )
<b>J.6.4</b>	<b><i>The income vulnerability of producers, sector and countries has declined as a result of the implementation of diversification strategies</i></b>
<b>I.6.4.2</b>	Evidence that income levels of producers have stabilised and increased in geographical zones where diversification strategies have been implemented
<b>Sénégal Cashew nut</b>	Le rapport final de l'étude de la filière anacarde au Sénégal indique bien que sa production, qui est une diversification de la production de produits vivriers, constitue une stratégie de sécurisation des revenus pour faire face à divers besoins. L'anacarde constitue une source de revenu additionnelle qui sert à subvenir à des besoins ponctuels qui autrement ponctionnerait le budget familial. L'étude note également que l'anacarde est un produit permettant de sécuriser l'avenir des producteurs. En effet, quelques années après le semis, les anacardiens entrent en production et ne nécessitent plus beaucoup d'investissements tant sur le plan humain que financier. Le producteur peut désormais vivre à partir des recettes que lui procurent la vente des noix et des pommes d'acajou dans certaines zones de productions. <i>Source : Rapport final Etude filière anacarde 2010.</i>


**EQ 7 on Commission support in the wider context of EC policies**

To what extent did the implementation of other relevant European Community policies strengthen or weaken the pursuit of the COM's objectives ?	
<i>J.7.3</i>	<i>Commission' support to agricultural commodities has taken into account Commission transversal policies regarding gender, environment, protection of human rights, corporate responsibility (including child labour and other social rights) and HIV/AIDS in CDDCs</i>
<b>BF</b> <b>Anacarde</b>	La prise en compte des questions genre/ environnement: est réalisée dans l'appui de la Commission à la production et transformation d'anacarde et sésame (genre et environnement) à travers l'intervention RONGEAD/INADES-B
<b>I.7.3.2</b>	Evidence of inclusion of specific measures targeting these cross-cutting issues in interventions supporting agricultural commodities
<b>BF</b> <b>Anacarde</b>	<p>Pour le projet anacarde-sésame mené par l'INADES, les thèmes transversaux ont été pris en compte comme suit:</p> <ul style="list-style-type: none"> <li>▪ Anacarde-genre: femmes dans la production et surtout la transformation. Les formations s'adressent aux femmes. Les paysans formateurs incluent des femmes, conseillères agricoles (5 femmes sur les 30). La récolte de noix est faite par les femmes et les enfants. L'homme vend les noix et les produits, il gère l'exploitation et habille les femmes. Au niveau de la production, c'est pour l'homme et la transformation c'est pour la femme. L'accès à la terre est donné à l'homme, par tradition.</li> <li>▪ Sésame-genre : chaque femme peut avoir son champ (0,5 – 1 ha). La production appartient à la femme. C'est le revenu de la femme. Environ 45% des bénéficiaires du projet sésame sont des femmes.</li> <li>▪ Anacarde-environnement : les formations n'encouragent pas l'utilisation de pesticides chimiques. Elles encouragent la fertilisation organique par les bonnes pratiques agricoles. Peu de producteurs utilisent des engrais chimiques et pesticides. INADES-B encourage la certification biologique. Dans une unité de transformation, INADES-B veut intégrer la certification biologique dans le projet. Rien comme résultat aujourd'hui. Rongead (ONG partenaire) est venu pour faire la formation sur la certification interne en biologique. C'est une expérience pilote en cours pour une unité de transformation. Pour voir les coûts. Si la structure bénéficiaire est d'accord, alors INADES-B encadrera le processus de certification biologique.</li> <li>▪ Sésame-environnement : utilisation de la fumure organique. Le sésame ne demande pas beaucoup d'engrais en plus, le sésame biologique est promu par INADES-B. Il n'y pas de label biologique pas de certification). C'est dit biologique car il n'y a pas d'utilisation d'engrais chimique ou de pesticides.</li> </ul> <p><i>Source : MN 551</i></p>



# Cocoa - Product Fiche

## 0. Identification of the product

	<ul style="list-style-type: none"> <li>▪ Cocoa</li> <li>▪ <i>Theobroma cacao</i></li> </ul> <p>The major use of the cocoa bean is the extraction of cocoa butter and cocoa powder, which are the key ingredients in chocolate production. Cocoa butter is also used in the food, pharmaceutical and cosmetic industries.</p> <p>Uses of cocoa by-products include the incorporation of the pod husk or the shell as feedstock, alcoholic distillation using the liquefied pulp and use of the pulp for juices.</p> <p>Cocoa butter is sometimes substituted by other vegetable fats in chocolate preparations (the European limit is 5% of other vegetable fats in chocolate).</p> <p>Carob is sometimes (but rarely) used as a substitute for cocoa in chocolate preparations.</p>
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## 1. Commission support to the product

Commission support to cocoa over 2000-2009 has been as follows (in Euros):

**Table 7: Commission support per country**

Countries	Planned amount
TRINIDAD AND TOBAGO	23,233
VANUATU	157,090
HAITI	278,033
JAMAICA	500,000
TOGO	573,416
SIERRA LEONE	588,876
SOUTH AFRICA	624,096
CONGO (DRC)	1,000,000
GHANA	4,513,169
<b>Grand Total</b>	<b>8,257,913</b>

*Source: ADE Inventory based on CRIS*

Note: according to field visits and survey respondents, other beneficiaries of cocoa projects include the Dominican Republic, Papua New Guinea, Cameroon, Liberia and Madagascar. Furthermore the CRIS inventory did not count the Stabex funds allocated to cocoa in Ghana (€57m) which stemmed from transfers prior to 2000.

**Table 8: Commission support budget line**

Budget lines	Planned amount
BAN	500,000
AFS	624,096
FOOD	1,000,000
Stabex	1,597,415
FED	4,536,402
<b>Grand Total</b>	<b>8,257,913</b>

*Source: ADE Inventory based on CRIS*

Note: according to field visits, available data on Stabex funds in visited countries show higher amounts than those found in CRIS due to the use during 2000-2009 of Stabex funds accumulated prior to 2000:

**Table 9: Stabex amounts allocated to cocoa in visited countries**

Visited Country	Cocoa Stabex Amount
GHANA	57,000,000
CAMEROON	60,000,000 (*)
<b>Grand Total</b>	<b>137,000,000</b>

(\*)(amount allocated to coffee and cocoa)

*Source: ADE*



**Table 10: Commission support per Communication priority and country**

Support per priority and countries	Planned amount
<b>Priority 2 (Competitiveness)</b>	<b>6,160,498</b>
TRINIDAD AND TOBAGO	23,233
SOUTH AFRICA	624,096
CONGO (DRC)	1,000,000
GHANA	4,513,169
<b>Priority 3 (Risk Management)</b>	<b>1,597,415</b>
VANUATU	157,090
HAITI	278,033
TOGO	573,416
SIERRA LEONE	588,876
<b>Priority 4 (Diversification)</b>	<b>500,000</b>
JAMAICA	500,000
<b>Grand Total</b>	<b>8,257,913</b>

Source: ADE Inventory based on CRIS

Note: The amounts allocated from the Stabex funds are automatically ranked under Priority 3 (Risk management) but their actual use needs to be checked on a case-by-case basis.

- In the case of Vanuatu, the Stabex funds were used to rebuild a bridge and have therefore nothing to do with cocoa risk management.
- According to field visit findings, Ghana and Cameroon benefitted from cocoa Stabex funds accumulated before 2000 (and thus not included in the inventory). These funds were used for projects linked to competitiveness (through cocoa-specific interventions and infrastructure projects) or rural development programmes (diversification).

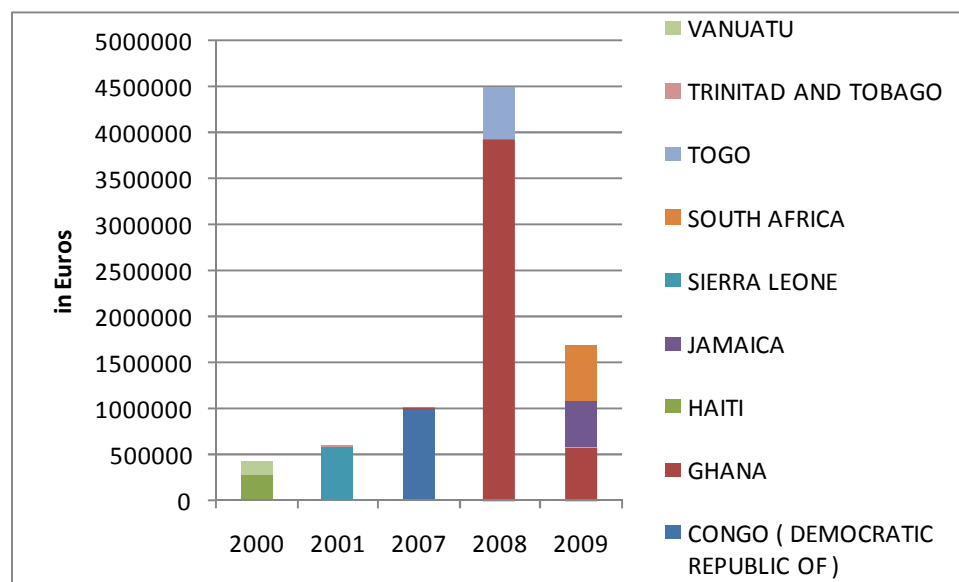
**Table 11: Commission support to the cocoa sector per area of support**

Areas of support and countries	Planned amount
<b>Institutional and regulatory support</b>	<b>19,635</b>
GHANA	19,635
<b>Other</b>	<b>9,625</b>
GHANA	9,625
<b>Research / Study</b>	<b>647,329</b>
TRINIDAD AND TOBAGO	23,233
SOUTH AFRICA	624,096
<b>Stabex</b>	<b>1,597,415</b>
VANUATU	157,090
HAITI	278,033
TOGO	573,416
SIERRA LEONE	588,876
<b>Support to diversification</b>	<b>500,000</b>
JAMAICA	500,000
<b>Support to producer</b>	<b>5,483,909</b>
CONGO (DRC)	1,000,000
GHANA	4,483,909
<b>Grand Total</b>	<b>8,257,913</b>

Source: ADE Inventory based on CRIS

Note: According to field visit findings, Ghana and Cameroon benefitted from cocoa Stabex funds accumulated prior to 2000. These funds were used for projects linked to competitiveness (through cocoa-specific interventions and infrastructure projects) or rural development programmes (diversification).

**Graph 11: Evolution of contracted amounts per year per country, 2000-2009**



Source: ADE Inventory based on CRIS

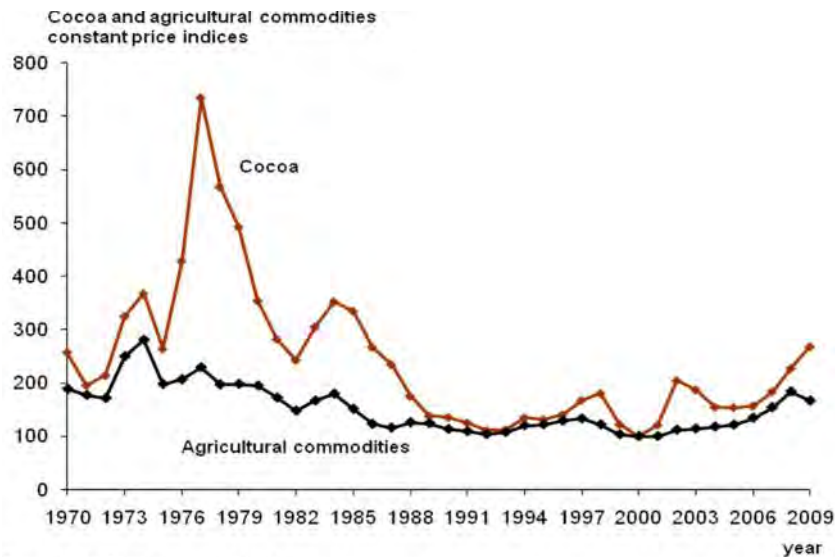
Note: this figure underestimates the amounts allocated to countries. According to field visits and survey respondents, other beneficiaries of cocoa projects include the Dominican Republic, Papua New Guinea, Cameroon, Liberia and Madagascar. Furthermore the CRIS inventory did not count the Stabex funds allocated to cocoa in Ghana (€57m).

## 2. Main characteristics of the sub-sector

### 2.1 Cocoa Prices

The evolution of the cocoa and agricultural commodities constant price indices since 1970 is represented on the graph below.

**Graph 12: Evolution of cocoa and agricultural commodities world price indices (year 2000 = 100) (Source: World Bank, Commodity Price Data)**



Source: World Bank commodity price data

The price movements of cocoa and agricultural commodities have been largely different between 1970 and 1990. Between 1990 and 2009, the two graphs are very similar, except for two price spikes between 1994 and 1998 which were much stronger for cocoa than for the agricultural commodities group.

In the 1970s, cocoa prices surged due to droughts in major producing countries<sup>16</sup> and to the impact of the oil crisis, which prompted large price increases of many commodities. Since the price peak of the 1970s, the price of cocoa has progressively decreased throughout the 1970-2000 period. Cocoa prices have then risen again in the 2000s along with the prices of other commodities.

Throughout the 1970s and 1980s, the evolution of international cocoa prices seems to have been primarily due to the interaction of supply and demand rather than to the impact of international cocoa agreements implemented during that period. In the past, the cocoa stock levels have had an important impact on the prices in addition to an underlying long-term declining trend. Although this fact may appear to be significant between 1960 and 2000<sup>17</sup>, it doesn't seem to have been as important for the past decade.

Changes in the cocoa industry in developed countries have also had a profound impact on the structure of cocoa markets and the price formation. There has been a decline in the level of stocks needed to carry on cocoa processing and chocolate manufacturing activities due to a concentration of trading, processing and manufacturing companies. This decline in

<sup>16</sup> <http://seekingalpha.com/article/65707-cocoa-hits-its-sweet-spot> online July 14 2010

<sup>17</sup> UNCTAD discussion paper: Commodities under Neoliberalism: the case of cocoa [http://www.unctad.org/en/docs/gdsmdpbg2420041\\_en.pdf](http://www.unctad.org/en/docs/gdsmdpbg2420041_en.pdf) online July 12 2010

needs for stocks, the monopsony situation of cocoa buyers and the steady increase in production have contributed to depressing world prices<sup>18</sup>.

## 2.2 Evolution of cocoa production<sup>19</sup>

Main cocoa producers include Côte d'Ivoire, Ghana, Nigeria, Cameroon, Indonesia, Malaysia and Brazil. African cocoa exporters remain by far the largest cocoa producers but Indonesia and Malaysia have progressively emerged on the main cocoa production scene.

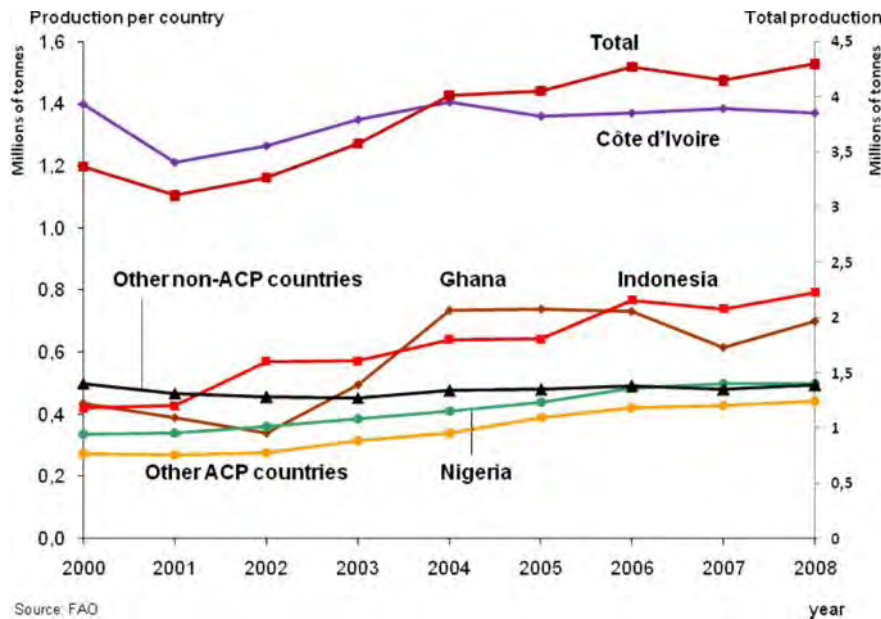
Cocoa has been and is today a smallholder farm production. Since cocoa is a very labour-intensive production, small cocoa farms (such as in African countries) benefit from lower production costs while large cocoa plantations (such as in Brazil, Malaysia and partly in Indonesia) usually reach higher yields due to access to better inputs and varieties.

Productivity has not necessarily increased in the producing areas to compensate the price decline (some countries saw a productivity increase, others a decrease). Yet production response to the price decline from the 70s to 90s has been limited because of dissymmetric behaviours across the world. Côte d'Ivoire and Indonesia accounted for virtually the entire increase of production. Particularly low production costs in these countries allowed producers a significant margin. Indonesian cost reduction is to be linked to the devaluation of the local currency during the East Asian crisis. Another reason is that smallholder farmers (accounting for over 90 percent of global production) accepted a sharp decline in incomes rather than moving out of cocoa production. The evolution of cocoa production between 2000 and 2008 is represented on the graph below.

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<sup>18</sup> UNCTAD discussion paper : Commodities under Neoliberalism : the case of cocoa  
[http://www.unctad.org/en/docs/gdsmdpbg2420041\\_en.pdf](http://www.unctad.org/en/docs/gdsmdpbg2420041_en.pdf) online July 12 2010

<sup>19</sup> UNCTAD discussion paper : Commodities under Neoliberalism : the case of cocoa  
[http://www.unctad.org/en/docs/gdsmdpbg2420041\\_en.pdf](http://www.unctad.org/en/docs/gdsmdpbg2420041_en.pdf) online July 12 2010

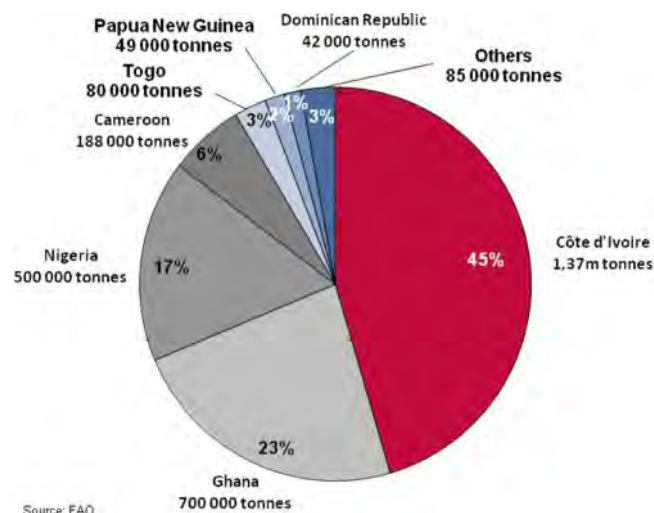
**Graph 13: Evolution of cocoa production over 2000-2008 in millions of tonnes**

Source: FAOStat

The total production of cocoa has increased from its level of 3.1 million tonnes in 2001 to reach 4.3 million tonnes in 2008.

The world cocoa production is dominated by ACP countries among which Côte d'Ivoire is the main producer (32 percent of the total production) followed by Ghana and Nigeria. Indonesia was the second world largest producer in 2008 (18 percent of the total production).

The shares of cocoa production among ACP countries in 2008 are represented on the graph below.

**Graph 14: Shares of ACP cocoa production in 2008**

Source: FAO

Source: FAOStat

The other main cocoa producers among the ACP countries are Cameroon, Togo, Papua New Guinea and the Dominican Republic. The shares of these countries are nevertheless much smaller than the three major producing ACP countries.

### 2.3 Evolution of cocoa markets<sup>20</sup>

West African countries traditionally used state-organized marketing institutions to trade cocoa. These institutions established by colonial powers were responsible for purchase for export, quality control and extension services. In the 1990s, the West African cocoa trading institutions (except the Cocobod in Ghana see below) underwent important liberalization programs (other main cocoa exporters – Brazil, Indonesia and Malaysia – were free of state marketing). The main goals were to increase producers' shares of cocoa export prices and to improve production efficiency.

On the international level, the International Cocoa Organization (ICCO), established in 1973 regroups most cocoa exporters and importers. It used to operate with price intervention, export quota schemes and buffer stocks. These instruments are now abandoned and the ICCO operates today by seeking partnerships with the private sector and by promoting transparency by diffusing information on the cocoa markets.

The liberalization process led to an inflow of private trading companies which pushed producer prices up but the consolidation and restructuring that followed has had various impacts depending on a host of other factors. There is no firm evidence that cocoa farmers actually benefited from market liberalization. Nor is it proven that liberalization helped improve productive efficiency in producing areas. These statements are illustrated by tables

<sup>20</sup> UNCTAD discussion paper : Commodities under Neoliberalism : the case of cocoa  
[http://www.unctad.org/en/docs/gdsmdbpg2420041\\_en.pdf](http://www.unctad.org/en/docs/gdsmdbpg2420041_en.pdf) online July 12 2010

below. Table 12 represents the evolution of the producer's share of the export price and table 13 shows the evolution of production costs as a proxy for productivity<sup>21</sup>.

**Table 12: Producer prices in share of export unit value**

Years	Brazil	Cameroon	Côte d'Ivoire	Ghana	Nigeria	Indonesia
1981-1985	72.8	55.4	55.1	113.8	120.9	78.9
1986-1990	68.6	70.9	59.9	37.3	96.1	74.7
1991-1995	78.9	85.7	65.6	48.2	101.2	84.7
1996-2000	82.0	62.1	50.5	52.4	89.0	82.6

Source: UNCTAD

Note: According to the authors of the UNCTAD study, the exceptionally high values in Ghana & Nigeria for 1981-1985 are questionable and more probably due to overvalued currencies at the time.

**Table 13: Estimates of production costs in US\$/kg**

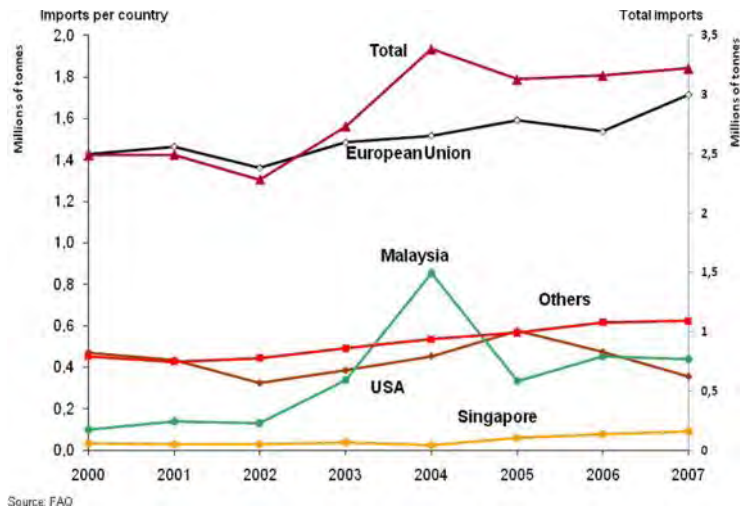
Years	Brazil	Cameroon	Côte d'Ivoire	Ghana	Nigeria	Indonesia
1989	1.00	0.83	0.66	0.48	0.60	1.00
1995-2000	1.62	0.60	0.60	1.27	0.36	0.85

Source: UNCTAD

Production of intermediate cocoa products has seen few possibilities in African countries. As the process is highly capital and energy intensive and given the difficulties in developing the appropriate infrastructure, it has been difficult to develop the processing and manufacturing industries in such regions. High duties on processed products in the industrial countries further contributed to the situation. Brazil and Malaysia have however managed to develop domestic processing capacity. This happened through availability of local enterprise and an active government support and direction at an early stage.

The evolution of imports between 2000 and 2008 is represented on the graph hereunder.

<sup>21</sup> It is important to note that production costs represent productivity imperfectly. Other factors such as wages and exchange rates influence production costs as well.

**Graph 15: Trends of cocoa trade during the 2000-2007 period**

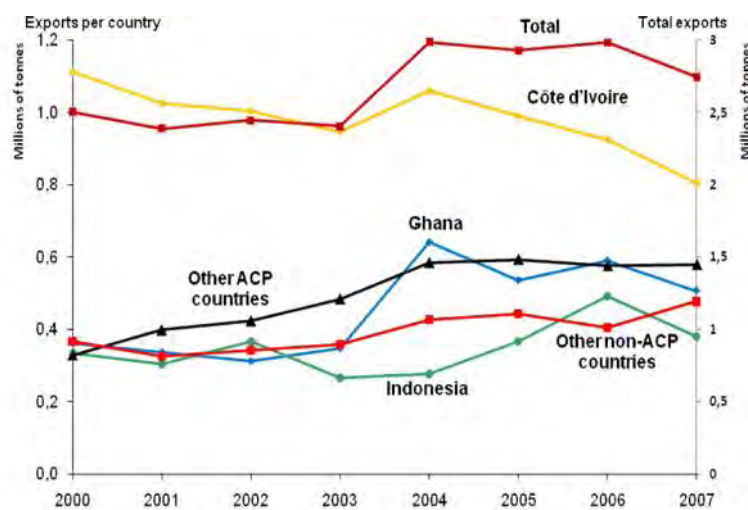
Source: FAO

Source: FAOStat

The total amount of imported cocoa underwent a large increase between 2002 and 2004 mainly due to a rise of Malaysian imports. The total 2007 level is 3.2 million tonnes of cocoa.

The European Union is by far the largest importer of cocoa with levels reaching 1.7 million tonnes in 2007. Malaysia has become the world's second largest importer with 438 thousand tonnes in 2007.

The evolution of cocoa exports is represented on the graph below.

**Graph 16: Evolution of cocoa exports during the 2000-2007 period**

Source: FAO

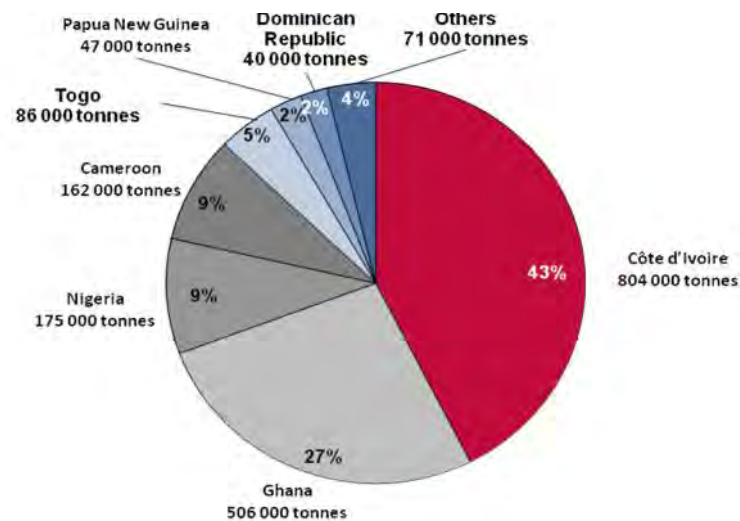
Source: FAOStat



The total level of cocoa exports increased sharply in 2004 (mainly due to an increase in Ghanaian exports). After that, the level of exports remained relatively constant and dropped in 2007. Ivorian exports have declined between 2000 and 2007 although the country remained the world's largest cocoa exporter. Other ACP and non-ACP countries have seen their cocoa exports increase over the 2000-2007 period.

In 2007, ACP exports represented 68 percent of total cocoa exports. Among these countries, Côte d'Ivoire and Ghana had the largest shares of the exports (respectively 29 and 18 percent). Indonesia, the world's third largest exporter in 2007 contributed to 14 percent of world exports. The shares of cocoa exports among ACP countries in 2007 are represented on the graph below.

**Graph 17: Shares of cocoa exports among ACP countries in 2007**

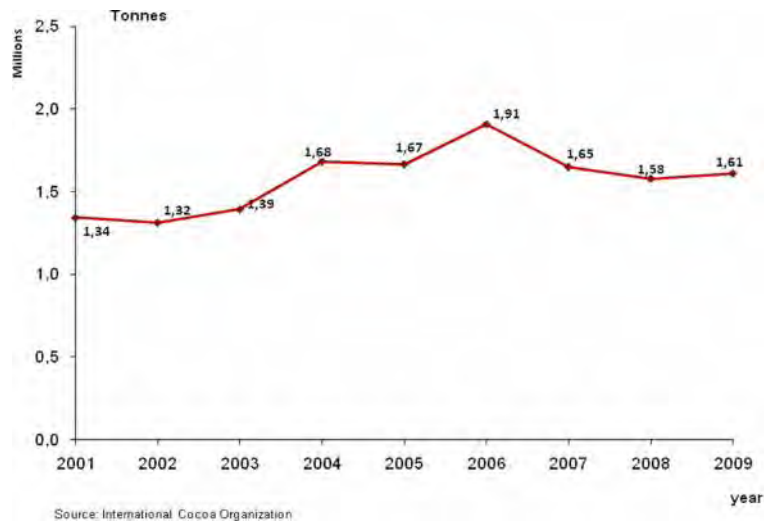


Source: FAO

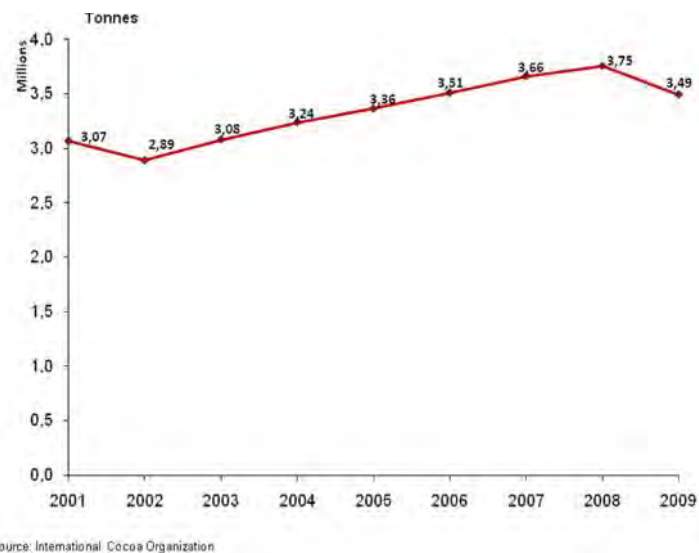
Source: FAO

Côte d'Ivoire and Ghana sum up to 70 percent of ACP exports. The other most significant ACP cocoa exporters are Nigeria and Cameroon.

The evolution of world cocoa stocks between 2000 and 2009 is represented on the graph below.

**Graph 18: Evolution of world cocoa stocks over 2000-2009**

The world stocks of cocoa have fluctuated between 1.34 and 1.91 million tonnes between 2000 and 2009. The lowest level of stocks was reached in 2002 and the highest point in 2006. Information concerning the national levels of stocks is not available. Cocoa grindings are used as a proxy for cocoa consumption. The evolution of world cocoa grindings is represented on the graph below. Individual country grinding data is not available.

**Graph 19: Evolution of cocoa grindings during the 2001-2009 period**

Source: International Cocoa Organization

World cocoa grinding has steadily increased between 2002 and 2008 from 2.89 to 3.75 million tonnes. The 2009 level dropped to 3.49 million tonnes.

## **2.4 Different marketing schemes within visited countries**

The marketing structures appeared to be different in the visited countries. External marketing of cocoa in Ghana is entirely managed by the COCOBOD, a state-governed board, which provides licences to purchasing agencies, fixes the producer price in advance and sells cocoa on the international futures markets. In Côte d'Ivoire, the sector is privatised and the state levies an export tax on cocoa to provide Government revenue. Finally in Cameroon, the sector is privatised as well, and a fund based on a levy is used to reinvest in the sector.

## **2.5 Challenges related to the product identified in visited countries**

In visited countries, the main constraints faced by producers do not appear to be specific to cocoa. Feedback from producers and stakeholders of the value chain interviewed during the focus groups rather concern issues of infrastructure (e.g. roads) and access to inputs (e.g. fertilizer, equipment...).

# **3. Summary of the main findings arising from the desk and field analysis for the product**

## **3.1 Importance of cocoa in analysed countries**

Three of the analysed countries count cocoa as their main export crop (Ghana, Côte d'Ivoire and Cameroon). Whereas it represents over half of each country's agricultural export earnings, the countries' different trade patterns result in different shares of cocoa in the countries' total exports (respectively 28%, over 50%, and 10%). Vanuatu also exports cocoa but it is not considered to be one of the country's main export crops. At farm level, field evidence shows that cocoa is considered as their cash crop. Whereas farmers may count on it as a source of income, their livelihood activities rather focus on their food crops.

## **3.2 Commission overall support to cocoa**

Decline of revenues from cocoa exports (due to decline of prices or production) led to Stabex support from the Commission in five of the visited countries (Ghana, Cameroon, Côte d'Ivoire, Madagascar and Vanuatu). Funds have been used for investing in the sector through support to research, organisation, or guarantee funds (Ghana, Madagascar, Cameroon and Côte d'Ivoire) as well as outside the sector for roads (Ghana, Vanuatu) and rural development programmes (Cameroon).

According to the survey results, 8 of the 30 respondents from commodity exporting ACP countries have benefitted from Commission support to the cocoa sector (Dominican Republic, Cameroon, Papua New Guinea, Togo, Liberia, Madagascar, Ghana and Jamaica).

### **3.3 Support to cocoa strategies**

It appears that the interventions in the cocoa sector did not promote the commodity chain approach in the cocoa sector (and did not promote designing cocoa strategies or addressing dependency as a priority in national strategies). Only in Ghana did the Commission intervene in the 'strategy' by supporting the restructuring of the sector alongside the World Bank in the 1990s.

### **3.4 Coordination of Commission support to cocoa**

In terms of coordination with other institutions, only one piece of cocoa-specific information was found. There is evidence that in Ghana, design of actions has been coordinated with stakeholders. However the Commission's interventions are not well known by other donors, which is quite different from the 1990s when Commission support was coordinated with the World Bank to restructure the cocoa sector.

### **3.5 Support to competitiveness of the cocoa sector**

In all visited countries where the Commission provided support to the cocoa sector, this support has aimed – among others – at improving the competitiveness of the sector through several channels.

Compliance with international market requirements were taken into account in interventions in Ghana (compliance with pesticide MRLs), Madagascar (support in the framework of EPA agreements) and Côte d'Ivoire (compliance with Ochratoxin A limits).

Projects supporting research or the improvement of access to production factors were undertaken in three of the visited countries. In Ghana, the Commission supported the development and dissemination of virus resistant varieties as well as training for farmers. In Cameroon, Stabex funds were used for seedling multiplication (and a new EDF programme will also include such projects). Support in Côte d'Ivoire focused on the research on quality through the reduction of Ochratoxin A residues. Although projects were probably undertaken in such fields in Madagascar, little information was available on the subject.

Support to infrastructure projects linked to the cocoa value chain was brought in Ghana (feeder roads programmes) and Cameroon (feeder roads and cocoa dryers).

Although efforts were made to help regroup producer organisations and provide information to producers in Ghana, Madagascar and Cameroon, only the latter case provided significant results.

In the 1990s, Commission support to the restructuring of the cocoa sector of Ghana has contributed to improve the producer's share of the world price (from 40% in the end of the 1980s to 73% today). Over the past decade, the impacts of Commission support were either of small scale (evidence of impacts on local groups of direct beneficiaries was found

e.g. in Ghana or Cameroon) or disappointing (Ghana and Madagascar). Over the recent years, incomes of producers and of the sector have been improving thanks to the increase in world cocoa prices – the one exception being in Côte d'Ivoire where producers are becoming poorer due to declining production (old trees) and decreasing services (unstable political situation).

### **3.6 Commission support to risk management**

Regarding prices, Stabex funds were meant to help coping with risk at a macroeconomic level. At a farm level, no interventions have aimed at that – except informing producers of prices in Cameroon. It would be irrelevant in Ghana as producer prices are fixed in advance and the COCOBOD does price risk management by itself on the international markets.

In terms of production risk, one research project in Ghana supported the development of disease-resistant varieties.

Overall, there is no evidence that Commission support led to a reduction of year-to-year variations of cocoa producer income.

### **3.7 Commission support to diversification**

As mentioned above, diversification was not identified as an issue at farm level during field visits, as cocoa was only one crop among those harvested at farm level. Staple crops generally occupy the majority of farming activities. Stabex funds were used in Cameroon for rural development programmes in cocoa growing regions (diversifying sources of incomes). Currently, programmes support competitiveness of the sector rather than diversification.

### **3.8 Cross-cutting issues in Commission support to cocoa**

There were two cases where environment, as a cross-cutting issue, was taken into account in the Commission interventions. In Ghana, the recent Cocoa Sector Support Programme – phase II, through its training and provision of intensification packages has an objective of reducing pressure on land and forests. In Cameroon, the support to cocoa dryers contributed to reduce the need for firewood to dry the beans.

### **3.9 Different financing instruments in cocoa interventions**

In visited countries, cocoa interventions were financed through Stabex and EDF funds. There were cases in Ghana where EDF funds were used to consolidate results of Stabex cocoa programmes. The only feedback on the efficiency of the instruments was negative. Although instruments and modalities appeared to be justified in the design, ex post evidence reveals important efficiency problems (both with Stabex and EDF funds): problems of procedures created important delays and hampered the projects. Some of the problems met were linked to the procedures required to be used by the project with

managers not being well trained initially in the Commission procedures. They thus submitted incomplete dossiers for approval (leading to e.g. a problem on the procurement of a car needed to distribute planting material; the programme was therefore late on its targeted results and was considered unlikely to reach them). Other problems were linked to the long processes to get annual work plans approved. It was noted that (i) the institutional set-up recommended for the project management at the design phase had not been followed and (ii) the relative importance of Commission support vis-à-vis Cocobod funding may not have provided sufficient incentive for the beneficiary to apply the complex rules of the Commission.

### **3.10 Alignment with the beneficiaries' needs, priorities and with the COMs**

There is evidence that the Commission support has been provided in response to identified needs of the sector in Ghana (no specific evidence elsewhere). However the results of programmes did not necessarily go in the right direction due to problems encountered underway (although Ghana's objective is to increase cocoa output, at the end of the Cocoa Sector Support Programme – phase 1, cocoa production potential by beneficiaries had decreased due to problems in the replanting phase).

In Ghana and Cameroon (no specific evidence elsewhere), the objectives were aligned with the objectives of the COM (increasing competitiveness, organising producers...). However, this occurred rather through buying into projects led by other donors than part of a strategic approach.

## **4. Overall assessment**

Overall, it appears that cocoa generated important Stabex funds of which a large share remains unknown to the evaluators. Most funds (Stabex and EDF) have been used in projects supporting the competitiveness of the sector. Risk management and diversification do not appear to be important issues at farm level. Although the Commission has been involved in restructuring of the sector before the 2000s, recent Commission interventions in the sector have been of small scale and built on a 'buying in' approach, based on identified needs of the moment rather than reflecting a global strategic support. The results of analysed programmes were localised, with variable results depending on the beneficiary countries. Beyond Commission support, most cocoa farmers and sector as a whole in ACP countries have been benefitting from favourable price conditions over the past few years.

## Cocoa - Data collection grid

### EQ1 on the contextual background to the Commission's Communication relative to agricultural commodities

In what ways has the Commission reacted to the long term agricultural commodities price decline and volatility when supporting Commodity Dependent Developing Countries?	
<b>J.1.1</b>	<b>Commodity dependence characterises a majority of ACP countries</b>
<b>I.1.1.2</b>	The evolution of the degree of commodity dependence of ACPs over time (15 years)
<b>VAN Cocoa</b>	<p>Aujourd'hui, l'agriculture de rente est peu développée.</p> <p>Parmi les filières :</p> <ul style="list-style-type: none"> <li>▪ Le cacao : il est principalement produit sur l'île de Malakula. La production est biologique de facto car les producteurs n'ont pas les moyens d'acheter des fertilisants et des produits phytosanitaires.</li> </ul> <p><i>Source: MN 1067</i></p>
<b>I.1.1.3</b>	Main agricultural commodities exported by ACPs (falling under the criterion of commodity dependence) over the last 10 years
<b>Cocoa CI</b>	<p>L'agriculture ivoirienne est fortement centrée sur les cultures d'exportation. C'est ainsi que la Côte d'Ivoire est le premier producteur mondial de cacao. Les filières café-cacao fournissent, en valeur, les 2/3 du total des exportations agricoles, agroalimentaires et forestières, soit près de la moitié de l'ensemble des exportations ivoiriennes. De plus, elles contribuent à environ 30% des recettes de l'État sous la forme de taxes à l'exportation.</p> <p>La Côte d'Ivoire est le premier producteur mondial de cacao.</p> <p><i>(Source : CSP 2004-2007 p.17).</i></p> <p>Côte d'Ivoire, the world largest producer, is expecting about 100,000 tonnes less cocoa in 2010 – 2011 because of black pod disease.' (page 18, MTE, 2011)</p> <p><i>Source: Ghana CSSP II MTE, 2011</i></p>
<b>GH Cocoa</b>	<p>According to the MTE, 2011, the importance of cocoa in Ghana's agricultural sector and its economy is likely to increase: 'There are 800,000 smaller farmers in the sector and production is continuing on a renewed growth path. Output has increased from 395,000 metric tonnes in 2000 to over 650,000 tonnes in 2009. Also, the share of cocoa in GDP rose from 4.9% in 2000-2004 to 8.1% in 2005/2006. Further, cocoa accounts for 28.5% of agricultural GDP. Over the last three years it has contributed substantially to agricultural sector growth. Cocoa exports constituted 28% of foreign exchange earnings, 57% of overall agricultural exports. The amount contributed rises to 87% of agricultural exports if forestry and fishery are excluded.' (page 18, MTE, 2011). The statement made did not however take account of the emerging role of oil in Ghana's production and exports. <i>Source: CSSP II MTE 2011.</i></p>

<b>GH Cocoa</b>	Ghana's exports are dominated by cocoa:																																																																
	<table border="1"> <thead> <tr> <th>Ghana exports</th> <th>1999</th> <th>2000</th> <th>2001</th> <th>2002</th> <th>2003</th> <th>2004</th> <th>2005</th> <th>2006</th> <th>2007</th> <th>2008</th> <th>2009</th> <th>2010</th> </tr> </thead> <tbody> <tr> <td>Cocoa beans and products</td> <td>27,5%</td> <td>22,6%</td> <td>20,5%</td> <td>23,5%</td> <td>26,4%</td> <td>37,4%</td> <td>32,4%</td> <td>31,9%</td> <td>26,3%</td> <td>28,2%</td> <td>32,0%</td> <td>27,3%</td> </tr> <tr> <td>Gold</td> <td>35,4%</td> <td>36,3%</td> <td>33,1%</td> <td>34,2%</td> <td>32,4%</td> <td>30,7%</td> <td>33,8%</td> <td>34,3%</td> <td>41,3%</td> <td>42,6%</td> <td>43,7%</td> <td>48,2%</td> </tr> <tr> <td>Timber &amp; Timber products</td> <td>8,7%</td> <td>9,0%</td> <td>9,1%</td> <td>9,1%</td> <td>6,8%</td> <td>7,7%</td> <td>8,1%</td> <td>5,5%</td> <td>6,0%</td> <td>6,0%</td> <td>3,1%</td> <td>2,4%</td> </tr> <tr> <td>Other exports</td> <td>28,3%</td> <td>32,1%</td> <td>37,3%</td> <td>33,2%</td> <td>11,5%</td> <td>24,2%</td> <td>25,7%</td> <td>28,3%</td> <td>26,4%</td> <td>23,1%</td> <td>21,3%</td> <td>22,1%</td> </tr> </tbody> </table> <p>Over the 10 year period one notes the growing importance of gold in Ghana's exports with a relative decrease of timber and other exports values. <i>Source: Central Bank of Ghana Statistical Bulletins, various years.</i></p>	Ghana exports	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Cocoa beans and products	27,5%	22,6%	20,5%	23,5%	26,4%	37,4%	32,4%	31,9%	26,3%	28,2%	32,0%	27,3%	Gold	35,4%	36,3%	33,1%	34,2%	32,4%	30,7%	33,8%	34,3%	41,3%	42,6%	43,7%	48,2%	Timber & Timber products	8,7%	9,0%	9,1%	9,1%	6,8%	7,7%	8,1%	5,5%	6,0%	6,0%	3,1%	2,4%	Other exports	28,3%	32,1%	37,3%	33,2%	11,5%	24,2%	25,7%	28,3%	26,4%	23,1%	21,3%
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<b>CM Cocoa</b>	The export trends of Cameroon can be seen below. The data was collected from FAOStat.																																																																
	<p>In value (\$1000) :</p> <p>In tonnes :</p> <p>Except for cocoa, there have not been any significant increases in export quantities from 2000 to 2008. Cocoa shows a persistent increase in volume since 2000 overall doubling its exports from less than 80,000 t in 2000 to over 160,000 t in 2008 (and this trend is maintained estimated at 200,000 t for 2011). <i>Source : FAO TradeStat</i></p> <p>Selon les statistiques de la banque des Etats d'Afrique Centrale, les données sont les suivantes :</p>																																																																



Part du produit dans les exportations totales	2001	2002	2003	2004	2005	2006	2007	2008	2009
part pétrole	46%	42%	37%	38%	44%	50%	49%	53%	44%
part divers	14%	18%	23%	18%	20%	17%	17%	17%	19%
part bois	15%	13%	14%	16%	13%	14%	16%	13%	16%
part cacao	8%	12%	10%	10%	8%	7%	5%	7%	10%
part aluminium	5%	4%	4%	6%	5%	4%	5%	4%	4%
part coton	5%	5%	5%	5%	4%	3%	3%	2%	2%
part banane	2%	2%	3%	3%	2%	2%	1%	1%	2%
part café	4%	3%	3%	3%	2%	2%	2%	2%	2%
part caoutchouc naturel	1%	1%	1%	1%	1%	2%	1%	1%	1%
<b>part agricolom majeurs</b> <b>(cacao+café+coton+banane+caoutchouc)</b>	<b>20%</b>	<b>23%</b>	<b>22%</b>	<b>22%</b>	<b>18%</b>	<b>15%</b>	<b>13%</b>	<b>13%</b>	<b>18%</b>

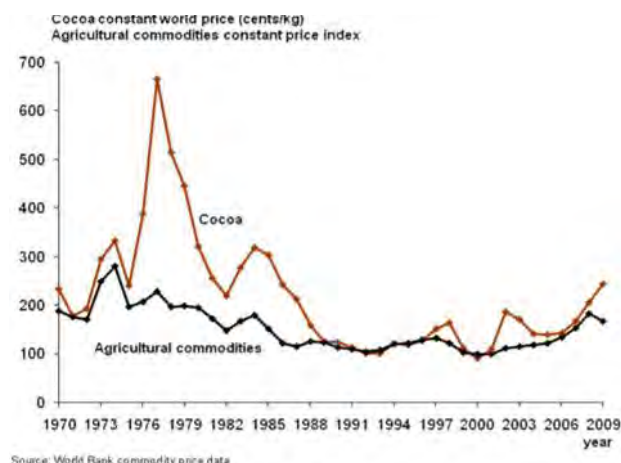
Source : ADE based on [www.beac.int](http://www.beac.int)

**J.1.2** *Prices of agricultural commodities exported by ACPs have demonstrated a long-term declining trend and high volatility*

**I.1.2.2** Price trend of CDDCs main agricultural commodities over the last 50 years

**Cocoa**

**Evolution of cocoa world prices (in constant year 2000 US cents/kg) and of the agricultural commodities world constant price index (year 2000 = 100)**



The price indices of cocoa and agricultural commodities have been largely different between 1970 and 1990. Between 1990 and 2009, the two graphs are very similar, except for two price spikes between 1994 and 1998 which were much stronger for cocoa than for the agricultural commodities group. *Source: Cocoa Product fiche (from World Bank Commodity Price Data)*

<b>GH Cocoa</b>	Ghana cocoa prices have been as follows over 2000-2010 :		
	YEAR	PRODUCER PRICE (Ghc/tonne)	ANNUAL EXTERNAL PRICE (US\$/tonne)
	1999/2000	225	NA
	2000/2001	348	NA
	2001/2002	620	NA
	2002/2003	850	NA
	2003/2004	900	NA
	2004/2005	900	1 538
	2005/2006	900	1 591
	2006/2007	915	1 952
	2007/2008	950/1,200**	2 581
	2008/2009	1 632	2 889
	2009/2010	2,208/2,400**	3 133
**The producer price was revised upward within the year			
<i>Source: Cocabod</i>			
<b>I.1.2.3</b>	Product specific issues having affected individual products' prices over the last 10 years		
<b>Cocoa</b>	<p>Dans les filières café/cacao et énergie, la progression des réformes structurelles a été limitée en raison de la crise. Les redevances parafiscales sur le cacao ont été réduites de 3 FCFA par kilogramme (le tiers de la réduction envisagée) au cours de la campagne 2006/07 pour relever les prix aux producteurs (<i>Source : CSP 2008-2013 p.9</i>).</p> <p>In the 1970s, oil prices surged due to the oil crisis and droughts in major producing countries. Since the price peak of the 1970s, the price of cocoa has progressively decreased throughout the 1970-2000 period. Cocoa prices have then risen again in the 2000s along with the prices of other commodities.</p> <p>Throughout the 1970s and 1980s, the evolution of international cocoa prices seems to have been primarily due to the interaction of supply and demand rather than to the impact of international cocoa agreements implemented during that period. The cocoa stock levels have had an important impact on the prices in addition to an underlying long-term declining trend.</p> <p>Changes in the industrialized countries have also had a profound impact on the structure of cocoa markets and the price formation. There has been a decline in the level of stocks needed to carry on cocoa processing and chocolate manufacturing activities due to a concentration of trading, processing and manufacturing companies. This decline in needs for stocks, the monopsony situation of cocoa buyers and the steady increase in production have contributed to depressing world prices. <i>Source: Cocoa Product Fiche</i></p> <p>According to Ghana's Country Strategy Evaluation Report, the security crisis in Côte d'Ivoire (the world's largest cocoa exporter) created a price increase starting from November 2004. At the time of the evaluation, there was no certainty whether it would have short or long term effects. If the price effects were of long term nature, they would have a negative impact on the tree replacement programme in Ghana since even old low-yielding trees would remain profitable. <i>Source: Ghana Country Strategy Evaluation Report, April 2005, page 57</i></p>		

<b>GH Cocoa</b>	<p>The farmgate price for cocoa is fixed at the beginning of the growing season (October). It is the outcome of discussions at a Producer Price Committee. It is a national price. The price to farmers has increased from about 40% of world price in the 1980's to 73% in 2011 (that is in percent of the world price net of the cost of services provided by Cocobod – spraying with pesticides, fertiliser distribution...)</p> <p><i>Source: MN123, FMO 1992-1993</i></p>
<b>GH Cocoa</b>	<p>The role of Cote d'Ivoire outbreak of disease: 'Global cocoa prices have risen steadily from US\$2,218/tonne in January 2008 to \$3525/tonne in January 2010 (i.e. by 59%). Although price levels had fallen back to \$2910/tonne by November 2010, continued robust performance is expected over the near term, partly because Cote d'Ivoire, the world largest producer, is expecting about 100,000 tonnes less cocoa in 2010 – 2011 because of black pod disease.' (page 18, MTE, 2011)</p> <p><i>Source: CSSP II MTE, 2011</i></p>
<b>J.1.3</b>	<b><i>The Commission has adapted its support to CDDCs to the constraints revealed by long term price decline and short term price volatility</i></b>
<b>I.1.3.2</b>	Setting up by the Commission of specific instruments to tackle constraints identified in CDDCs (STABEX, FLEX, BAM, AMSP, ...)
<b>VAN Cocoa</b>	<p>Vanuatu benefitted from Stabex funds as result of a downward trend of cocoa beans for the application year 1998. In fact, Vanuatu faced difficulties in the cocoa sector in 1998:</p> <ul style="list-style-type: none"> <li>▪ Marketed production of cocoa beans were equivalent to 1,501 millions VATU (against 1,757 millions VATU in 1997)</li> <li>▪ Exports of cocoa beans to the EC: 20 millions VATU and 142 tonnes (against 234.1 millions VATU and 1,536 tonnes in 1997).</li> </ul> <p>Stabex funds amounted to €157,090. These funds would be utilised to supplement the funding of the reconstruction of bridges and river crossings which was subject to the FMO relating to application years 1995 and 1996 and the balance of the funds from transfers up to 1994 (signed on 6 August 1999). Activities foreseen for the use of the Stabex funds were: studies and supervision, and works contract.</p> <p>However the STABEX funds deposited in the bank accounts have produced interest of about 6 millions VATU. To finance activities related to the rehabilitation of the Big Bay Road in Santo the following amounts were available: 129 525 Millions VATU. The amount of 21.3 Millions VATU was already disbursed to contracts passed for Technical assistance studies and supervision. Two offers to implement rehabilitation activities have been received on 19 December 2000. The lowest offer was in the range of 155.2 Millions VATU. This meant that a gap of 25.675 millions VATU existed (around €206,550). To allow these works, the gap should be paid through the Public Works Department's own budget for reparation of damages caused by cyclone Dani.</p> <p><i>Sources: Letter of 21 March 2000, Stabex in Vanuatu – Application year 1999 – collection of statistical data; Framework of Mutual Obligations for the use of STABEX funds for the application year 2008 between the Government of Vanuatu and the European Commission, May 2001; Letter of 5 January 2001, Vanuatu Stabex Report for 2000.</i></p>
<b>I.1.3.4</b>	Launching by the Commission of specific projects to tackle the constraints faced by CDDCs due to price decline and variability
<b>MG coffee vanilla cocoa</b>	<u>Réponse mixte</u> . Les projets STABEX ne sont pas spécifiquement et uniquement mis en œuvre en réponse au déclin et à la volatilité des prix mais ils contribuent par l'organisation de marché (constituant un des volets des projets) à renforcer la capacité des paysans à y faire face.

	En effet, depuis 2008, la Délégation a étendu ses appuis vers l'aval (commercialisation et transformation) afin d'améliorer la qualité dans une optique de diversification et de compétitivité (Source : MN 801). Les appuis sont donc plutôt centrés sur l'organisation du marché et la commercialisation. 11 projets ont été sélectionnés sur appel à propositions (café, vanille, girofle, poivre, cacao) avec en outre un <b>volet appui à la production</b> (CTHT, CNCC,...) et un <b>volet qualité</b> (formation, sensibilisation, petit matériel) mais également un <b>volet organisation des marchés au niveau des communes</b> (ce qui a le moins bien marché car ce volet est très complexe à mettre en œuvre étant donné le contexte institutionnel et la concurrence des acheteurs itinérants). (Source : MN 802).
<b>Cacao CI</b>	Dans les filières café-cacao, les fonds STABEX ont permis l'institutionnalisation du Fonds de Garantie des Coopératives Café-Cacao (Source : CSP 2004-2007 p.63).
<b>CM cocoa coffee</b>	Historiquement, à travers le système Stabex la Commission avait mis en place un système de compensation des baisses de recettes d'exportation (au Cameroun, principalement pour café et cacao). Ce système dont le mécanisme déclencheur a été clôturé en 2000 a encore donné lieu à des interventions au cours de la période 2000-2010 très approximativement plus de 46M€ aux produits agricoles et leurs filières au sens large (routes, développement rural...). Le STABEX sera supprimé après la conclusion des accords de partenariats économiques régionaux, en 2008. Le Flex n'est pas mobilisé au Cameroun.

## EQ2 on the Commission's support in terms of agricultural commodity strategy development

<b>To what extent has the Commission's support enabled the design of agricultural commodity strategies in commodity dependent ACP countries and regions?</b>	
<b>J.2.1</b>	<i>The Commission has promoted commodity chains and addressing dependence as a priority in national strategies</i>
<b>I.2.1.2</b>	Evidence that the Commission support encouraged the analysis of the sustainability, poverty implications and needs of commodity sectors as part of strategy development
<b>GH Cocoa</b>	At the time the Commission started to support the cocoa sector with the Stabex transfers in the beginning of the 1990s, the sector was in the process of major restructuring started in the late 1980s (with multi-donor support led by the WB) with the view to improve the cocoa marketing state monopoly (Cocobod)'s efficiency, improve producer prices, reduce Cocobod's operating costs and remove barriers to private participation in internal marketing of cocoa. The process of reform was accompanied by the development of a medium term strategy for the cocoa sector, approved by the Government in April 1999 which was, according to the final evaluation of the CSSP I developed through broad consultation with stakeholders in the sector and provides major overall policy directions in the cocoa sub-sector. The evaluation states: <i>The main purpose of the GCSDS is to ensure better performance and competitiveness of the industry, both in terms of volume of production and in terms of quality. The strategy was also aimed at enhancing farmers' incomes. This is to be achieved through effective internal and external marketing, adequate incentive for farmers through adjustments in the producer price, streamlining cocoa research and extension services and making the operations of the COCOBOD more efficient. The main elements of the strategy include:</i>

	<ul style="list-style-type: none"> <li>- Raising the producer price from 65% of the job price in 1999/2000 to 70% of the job price by the year 2004/2005</li> <li>- Reducing the export tax from about 25% of the job price to 15% of the job price by the year 2004/2005</li> <li>- Partial liberalisation of external marketing, - allowing qualified LBCs to export 30% of their domestic purchases starting with the 2000/2001 crop season</li> <li>- Deepening competition in internal marketing by giving all LBCs equal access to COCOBOD's warehousing and crop financing facilities</li> <li>- Maintaining quality control responsibility with a public institution</li> <li>- Assisting farmers to rehabilitate and replant old abandoned and destroyed farms in old cocoa growing areas with high yielding hybrid varieties</li> <li>- Privatisation of the Produce Buying Company Ltd</li> <li>- Merger of Cocoa extension services with those of the Ministry of Food and Agriculture (MoFA).</li> </ul> <p>It is thus clear that a sector policy existed at the time of the FMO 1992-1993 (which covered cocoa sector support operations mainly implemented from 2000 onwards). Source: Agrifor 2005</p>
<b>GH Cocoa</b>	<p>There is evidence that the CSSP II contributed in some very limited way to making the farmers' needs heard at strategic level <i>'Modest progress is being made in helping farmers groups to organise their positions on sector strategy via participation in stakeholder meetings. The first Cocoa Farmers' Forum organised on 15th and 16th July 2010 by Cadbury Cocoa Partnership (CCP) and STCP-2 on working together to improve cocoa production was attended by 48 farmer groups from 15 districts from the Western, Ashanti and Brong Ahafo regions. Other participants included Cocobod, NGOs, certification organisations, and other support groups. The forum allowed farmer groups to highlight their immediate priorities namely, input acquisition, timely supply of agrochemicals, expansion of youth farmer training centres etc.'</i></p> <p>The CSSP II also funded some studies which may contribute to provide information feeding into the new cocoa strategy. The participatory sector strategy development is one of the four expected results of CSSPII, but progress so far in that direction has been limited. <i>'In March 2010 Cocobod, with contributions from other industry stakeholders developed a draft Cocoa Sector Strategy II (CSS II) which re-iterated priorities articulated in the GPRS II and FASDEP II. In that context, CSSP II is working with the Centre for Economic Policy Analysis (CEPA) on econometric modelling of price and cost factors within the Ghanaian cocoa supply chain. When completed, the results will help to inform the CSS II. (...) With regard to sector strategy, it is too early to assess the extent to which the recommendations from CSSP II studies could be incorporated under a national policy framework since those studies will be carried out in 2011.'</i> Source: CSSP II MTE, 2011</p>
<b>I.2.1.3</b>	Evidence that Commission support contributed to enhance human and institutional capacity needed to design and ensure flexible and effective strategies
<b>Cocoa CI</b>	<p><b>Dans le cadre de l'activité A. 1.b. « Appui aux petits Planteurs d'autres cultures paysannes d'exportation » :</b> (Source : Rider FA p.5 CI-REH)</p> <p>Pour le secteur <b>café-cacao</b>, il est envisagé d'intervenir qu'a travers des <b>appuis institutionnels ponctuels</b> (études ou renforcement des capacités) mais ayant une importance stratégique pour sa restructuration et pour la répartition des revenus en son sein.</p>
<b>GH Cocoa</b>	According to the CSSPII MTE, the capacities of FO to continue participating/engaging with high level strategy is limited beyond the project life (which is less than 3 years) and will <i>'depend on progress towards becoming self-sustaining organisations over the next 3 – 5 years.'</i> (...)

	<p><i>'When put in sector decision -making context, the programme is a modest insertion into national efforts to upgrade competitiveness and boost crop yields. CSSP II is only one of at least 8 other players in the cocoa assistance space. Other examples include Cocobod, WCF, Cadbury, etc. Therefore the influence on national or sector ICB is largely due to IITA's entry into the national decision-making framework afforded by STCP-2 and reputation as an international agricultural institution operating in Ghana.'</i> Source: CSSP II MTE 2011</p>
<b>I.2.1.4</b>	Evidence that the Commission promoted the participation of stakeholders, including representatives of producer/ farmer organisations, in the strategy design process and their effective engagement in the dialogue
<b>GH Cocoa</b>	<p>The initiative to include stakeholder in strategy discussions is not an EU initiative but the CSSP II contributed to facilitate this by including FO promotion and their participation in strategy design in one of its components. <i>'Modest progress is being made in helping farmers groups to organise their positions on sector strategy via participation in stakeholder meetings. The first Cocoa Farmers' Forum organised on 15th and 16th July 2010 by Cadbury Cocoa Partnership (CCP) and STCP-2 on working together to improve cocoa production was attended by 48 farmer groups from 15 districts from the Western, Ashanti and Brong Ahafo regions. Other participants included Cocobod, NGOs, certification organisations, and other support groups. The forum allowed farmer groups to highlight their immediate priorities namely, input acquisition, timely supply of agrochemicals, expansion of youth farmer training centres etc. (...) However, their capacity to continue to participate at that level will depend on progress towards becoming self-sustaining organisations over the next 3 – 5 years. (...) With regard to sector strategy development, it is too early to provide a useful assessment of the extent of progress being made towards Result 3, participatory cocoa sector strategy development and implemented. In March 2010 Cocobod, with contributions from other industry stakeholders developed a draft Cocoa Sector Strategy II (CSS II) which re-iterated priorities articulated in the GPRS II and FASDEP II. In that context, CSSP II is working with the Centre for Economic Policy Analysis (CEPA) on econometric modelling of price and cost factors within the Ghanaian cocoa supply chain. When completed, the results will help to inform the CSS II.</i></p> <p>However in practice, the participation of FO in strategy formulation appears nil: Cocobod recognised no role for IITA-STCP or FO in this area. Source: CSSP II MTE 2011, MN 906</p>
<b>MG cocoa, coffee, vanilla</b>	<p>Les différentes industries — du cacao, du café, du girofle, du poivre et de la vanille — à Madagascar, ne sont que très faiblement structurées. Une 'appropriation' des objectifs et résultats du programme STABEX, ou des recommandations de l'assistance technique d'appui, ne peut donc être le fait que de structures fugaces, comme les projets, ou de structures qui ne sont pas directement concernées—i.e., directement 'intéressées'—par les améliorations recherchées: celles de l'Etat malgache. Source : Assistance Technique à la mise en œuvre du programme d'intensification et de structuration des principales filières d'exportation de produits agricoles à Madagascar, Rapport final</p>
<b>I.2.1.6</b>	Evidence that the Commission coordinated its approach to national strategy development with other donors and international organisations
<b>GH Cocoa</b>	<p>The development of the cocoa sector strategy during the 1990s was a concerted effort between the GoG, Cocobod and different donors.</p> <p>The CSSP II included one component which itself included a contribution to the cocoa sector strategy. The role of the EU and the project in promoting a new cocoa sector strategy seems (i) to have been (so far) very limited and(ii) mainly attributable to the IA's reputation (IITA): <i>'When put in sector decision -making context, the programme is</i></p>

	<p><i>a modest insertion into national efforts to upgrade competitiveness and boost crop yields. CSSP II is only one of at least 8 other players in the cocoa assistance space. Other examples include Cocobod, WCF, Cadbury, etc. Therefore the influence on national or sector ICB is largely due to IITA's entre into the national decision-making framework afforded by STCP-2 and reputation as an international agricultural institution operating in Ghana.'</i></p> <p>Verification with Cocobod underlined that even IITA's role in the development of the new strategy is nonexistent. <i>Source: Agrifor 2005, CSSPII MTE 2011, MN 906</i></p>
<b>J.2.2</b>	<b><i>The Commission's support has stimulated the design of commodity strategies by CDDCs and their incorporation into national and regional development strategies</i></b>
<b>I.2.2.1</b>	Evidence that the Commission ensured the availability of diagnostics of the competitiveness of agricultural commodity value chains (Domestic Resource Cost studies)
<b>GH Cocoa</b>	<p>The EC has supported the cocoa sector in Ghana with Stabex funds since 1990, at a time when the sector was being profoundly reformed with donor (WB and others support). At the time the EC supported the restructuring of the sector (paying for Cocobod redundancy payments and retraining of retrenched staff, interest on cocoa bills etc.) as well as disease control. Then it followed with further support (FMO signed early 1997) for feeder roads and the CSSP I. In preparation of the cocoa sector support programme (CSSP I), at least two (possibly more) reports were prepared; in 1997 a detailed study of the constraints of the cocoa sector and in 1999 a report on the cocoa sector serving as preparation of the design of the CSSP. At the time the areas that were looked into included the swollen shoot programme (already funded through Stabex in the earlier 1990s), cocoa seed production, cocoa research and cocoa marketing. In 2005, after implementation of the CSSP I, a final evaluation of the programme was undertaken which again formed the basis of proposals for continued support under CSSP II.</p> <p>Although no specific 'diagnostic studies' thus seem to have been undertaken at any time (except possibly in 1997 – report not identified), the EC started its interventions at a time when the sector was in the process of major reform (with presumably lots of studies available) and continued thus with knowledge gained from its presence in the sector. In addition it carried out extensive analysis of the sector in the process of formulating CSSP II.</p> <p><i>Source: FMO 1992 &amp; 1993 (1997), Agrisystems, 1999, CSSP2 project preparation report</i></p>
<b>GH Cocoa</b>	<p>Under the CSSP II, Result 3 includes the development and implementation of a cocoa sector strategy. This has started in March 2010 led by Cocobod, with contributions from other industry stakeholders: a draft Cocoa Sector Strategy II (CSS II) has been drafted which re-iterated priorities articulated in the GPRS II and FASDEP II.</p> <p>The EC accompanied this effort by retaining the Centre for Economic Policy Analysis (CEPA) to carry out a study of econometric modelling of price and cost factors within the Ghanaian cocoa supply chain. When completed, the results will help to inform the CSS II. The EC's contribution or involvement in this exercise of strategy formulation is on the whole extremely limited (IITA's role is very limited and FOs do not yet participate). <i>Source: CSSP II MTE, 2011, MN 906</i></p>

I.2.2.2	Evidence that the Commission promoted the design of commodity chain strategies addressing needs and challenges identified in diagnostics and taking account of important transversal and cross-sectoral issues (environment, gender, corporate responsibility including child labour and other social rights)
GH Cocoa	The MTE states that the CSSP II <i>‘programme is a GoG/EU “buy-in” into an emerging national strategy to enhance sector sustainability.</i> <i>The strategy aims to strengthen competitiveness by bringing all stakeholders of the commodity chain closer together, i.e. input providers, farmers, producer organisations, buyers, transport and warehousing, processors, exporters, the chocolate industry, financial and government institutions and conservationists. It promotes increased private sector participation in cocoa governance structures. Similar strategies are being invoked through collaborative initiatives between farmers, their representative organisations and chocolate companies. Driven by social, environmental, and health consciousness in OECD countries, fair trade, social support, and traceability are being increasingly promoted by some of Ghana’s major cocoa sector stakeholders. (...)</i> According to discussions and the MTE, the EC thus rather fitted into an existing effort but did not ‘promote’ the effort itself. <i>Source: Mid-term Evaluation of CSSP II, 2011</i>
I.2.2.3	Evidence that the Commission’s support led countries to embed their national commodity strategies into their national development strategy and to include them at a regional level into regional strategies
GH Cocoa	As of mid 2010, no significant progress had been made on Result 3 outputs (participatory cocoa strategy development). In March 2010 Cocabod, with contributions from other industry stakeholders developed a draft Cocoa Sector Strategy II (CSS II but this hasn’t been finalised as yet). <i>Sources: CSSP MTE 2011, MN 906</i>
I.2.2.4	Evidence that the Commission initiatives in promoting national commodity chain strategies were coordinated with and complementary to Member States’ initiatives and coordinated with other donors and international organisations
GH Cocoa	The EC does not participate in the Agricultural Sector Working Group in Ghana.

### EQ3 on the Commission’s coordination with international organisations including ICBs

To what extent has the Commission encouraged other international organisations including ICBs to adopt the Communications’ approach to agricultural commodity chains?	
J.3.2	<i>The Commission’s interventions have been complementary to those of other donors in the field of agricultural commodities</i>
I.3.2.1	Synergies have been noted between interventions supported by the Commission with those supported by other donors
GH Cocoa	In Ghana, design of actions appears to have been coordinated with stakeholders. However the EC’s interventions are not well known by other donors, which is quite different from the 1990s when EC support was coordinated with WB to restructure the cocoa sector. <i>Source: Ghana CSSP1 Design</i>



<b>J.3.3</b>	<i>The Commission's support to ICBs has enabled them to adopt a commodity chain perspective and to spread it to other international organisations</i>
<b>I.3.3.5</b>	The strengthened ICBs have drawn on and influenced other international actors working on cross-cutting commodity chain initiatives so that they incorporate a commodity chain perspective in their strategies
<b>Cocoa</b>	The ICCO, with a limited number of private sector representatives appears to encounter difficulties.

#### **EQ 4 on the Commission's support in terms of competitiveness of agricultural commodity chains in CDDCs**

<b>To what extent has the Commission's support helped to improve the competitiveness of agricultural commodity chains in commodity dependent recipient countries?</b>	
<b>J.4.1</b>	<i>The Commission's cooperation programme has stimulated the creation of an environment conducive to increased competitiveness of agricultural commodity chains</i>
<b>I.4.1.5</b>	Evidence that the Commission supported CDDCs' efforts to comply with existing tariff and non-tariff barriers (such as sanitary and phyto-sanitary) applicable to agricultural commodity imports into the EU
<b>GH-Cocoa</b>	According to an interview, the "Ghana Cocoa Sector Support Programme – phase II" (CSP2) included farm field schools which trained cocoa farmers to practice rational pesticide use, to help (among other things) to comply with Maximum Residue Limits for exports to the EU.
<b>MG coffee cocoa</b>	En 2009, la mission d'assistance technique au Ministère du Commerce et de l'Industrie (MECI) a été poursuivie pour l'appui à la finalisation de l'APE complet et à l'opérationnalisation du Système National de Normalisation et de Qualité (SNNQ). L'appui de l'UE a permis la signature de l'APE intérimaire. Cinq projets de normes ont été préparés pour le cacao, le poivre, le girofle, le café et le litchi et le service "certification" du Bureau des Normes de Madagascar (BNM) est mis en place avec l'entrée en fonction de son Directeur début 2010. Toutefois, le programme s'est achevé avant que ce processus ne puisse être mené à terme et de grandes inquiétudes règnent quant à ses possibilités d'aboutissement. <i>Source : Rapport Stabex 2009</i>
<b>MG coffee cocoa</b>	Le bilan de l'appui au Système National de Normalisation et de Qualité (SNNQ) sur la période juillet 2006 – janvier 2010 (9 missions d'appui ponctuelles) est assez mitigé. Les agents concernés ont été formés principes et standards des processus et pratiques de normalisation et inspection, et une démarche qualité, qui est transposable à d'autres produits, a été appliquée à 5 produits (litchi, café, girofle, poivre, cacao). Cependant, les démarches engagées n'ont pu être menées à terme. Des normes provisoires ont été définies mais ne sont pas appliquées faute d'être homologuées. La complémentarité des normes avec les règlements techniques n'a pas pu être abordée au delà de recommandations d'ordre général. La mise en œuvre s'est heurtée à un manque de ressources humaines et matérielles des services d'inspection et de certification ainsi qu'à un manque de volonté dans la mise en œuvre d'une véritable politique de qualité. <i>Source : Rapport Stabex 2010</i>

I.4.1.6	Evidence that the Commission's support was coordinated with MS and other donors
GH-Cocoa	The "Ghana Cocoa Sector Support Programme – phase II" (CSSP2) programme ex ante study included an inventory of all the other interventions that were done for the cocoa sector in the country. The programme was thus designed taking account of all the other interventions in the sector. Furthermore, a workshop was organised with many stakeholders and international donors (USAID, DFID, Cooperazione Italiana, CIRAD, FAO, beneficiaries, implementing agencies, farmer associations, India high commission, etc.) to discuss the project. <i>Source: CSSP 2 ex ante programme study, final report p 16-18; CSSP 2 List of invitees to the presentation workshop of the draft report of the formulation study of the CSSP2</i>
J.4.2	<b><i>Commission support has contributed to increase agricultural commodity production and lower the average cost of production and processing</i></b>
I.4.2.1	Commission support contributed to stimulate research (in the field of production factors and producer access to them, and labour productivity) and the dissemination of research results to producers/producer organisations
Cocoa	The EU is starting (the FA was signed in 2011) a seed multiplication project for coffee and cocoa in Cameroon, within its PAPA programme (Programme d'Amélioration de la Productivité Agricole). Furthermore, within the AAACP programme, the ONCC (Office National Café-Cacao) also does dissemination of good farming practices to improve coffee and cocoa productivity. <i>Source : MN 913</i>
GH Cocoa	<p>The research component of the CSSP I focused on cocoa pests and diseases as well as on re-establishment of cocoa in denuded lands. The component provided disappointing results: in terms of yields, quality and quantity, the research obtained some promising results, especially as regards the selection of progenies for future CSSVD and Black Pod breeding research, but the results achieved were not field tested and there was also some questioning of the geographical location of some of these plants. The final evaluation of CSSP I concluded that the support to the research had not been effective: no field trials were conducted, the research was undertaken on a very small scale so it needed major upscaling before being potentially able to contribute to the project purpose and research on integrated pest management (IPM) developed practices that could not be applied by farmers due to unavailability of seeds. Finally the evaluation also noted that Cocobod offered insufficient support in terms of spraying and certification for organic cocoa which could deliver premiums.</p> <p>The CSSP II offered a three pronged support: (i) to the CRIG for research on hybrid cocoa, for increased genetic fingerprinting capacity and follow-on cloning and applied research; (ii) support to SPU for multiplication of the seedlings/pods and (iii) support through the IITA/STC for farmers' training including participative strategy formulation and setting up of FOs. <i>Sources: Agrifor 2005, project documents</i></p> <p>According to interviews, the "Ghana Cocoa Sector Support Programme – phase II" stimulated research (it financed the multiplication phase of the research of new cocoa varieties) and the dissemination of its results (by financing the multiplication of seedlings of the new variety of cocoa and the dissemination of the results to farmer organisations that wanted to take part in the programme). <i>Source: MN 977</i></p>

<p><b>CI</b>      <b>coffee</b> <b>cocoa</b></p>	<p><u>Secteur café – cacao : oui</u></p> <p>Considérant les impacts économiques énormes pour l'économie ivoirienne induits par une réglementation restrictive du taux de contamination en OTA des lots de café et de cacao, l'UE a souhaité soutenir l'effort du Gouvernement à contrôler ce risque. <u>Un programme de recherche, décliné en plusieurs étapes a donc été soutenu</u> (1614 millions FCFA ont été mis en œuvre). Il s'est articulé autour de :</p> <ul style="list-style-type: none"> <li>• missions préparatoires destinées à élaborer et à appuyer la mise en œuvre d'une stratégie de prévention;</li> <li>• programme de recherche, décliné en deux étapes, dont la seconde vise l'évaluation des points critiques dans différentes zones géographiques, installation d'un laboratoire de référence accrédité (LANADA), développement d'un programme de prévention.</li> <li>• La Convention de contribution ONUDI permettra l'équipement d'un laboratoire accrédité</li> </ul> <p>Une AT a appuyé la préparation du programme de recherche (Eurata - mai 2005) et celle d'une AT Directeur de recherche (AGRIFOR), la direction et la supervision des études, la mise en place du programme de vulgarisation et a assisté le MinAgri dans ses actions et plaidoyer.</p> <p>Selon l'évaluation, en ce qui concerne la problématique de l'OTA, les recherches et les travaux scientifiques ont été nécessaires. Les analyses montrent que le taux de rejet de lots de cacao, si la norme était appliquée, pourrait être compris entre 5 et 10% des exportations (60000 à 120000 tonnes), soit un chiffre d'affaire de 90 à 180 milliards FCFA. Les conséquences économiques possibles sont donc importantes. Cela impose effectivement des mesures de prévention et des actions de lobbying.</p> <p>Source : <i>Eval Stabex 2009</i></p>
<p><b>I.4.2.2</b></p>	<p>Commission support contributed to improve production factors and farmers access to them (e.g. extension services/agricultural techniques, water, fertilizers, seeds, energy)</p>
<p><b>GH Cocoa</b></p>	<p>As part of the implementation of the cocoa sector strategy (GCSDS) which had been approved by the Government in 1999 and which led the sector's development during the period under review, some major changes were brought into the sector including:</p> <ul style="list-style-type: none"> <li>- Since 2001, the Government decided to re-introduce the concept of spraying cocoa farms free of charge, under the Cocoa Diseases and Pests Control Programme (CODAPEC) with the view of increasing the yields of cocoa farmers. These costs are borne by Cocobod.</li> </ul> <p>The Commission indirectly supported this change through its support to the cocoa sector with its CSSP I.</p> <p>One of the important shortcomings of CSSP I was the fact that it didn't integrate the need for extension services in programme design; it also didn't promote farmers' associations or mutual assistance programmes for coping with disease outbreak, weeding etc.</p> <p>The CSSPII works directly with about 4000 farmers, providing training (through farmer field schools and video viewing clubs), improved /hybrid seedlings for replanting (increase in plant population- ie intensification – rather than extension of area planted). Results of Year 1 and 2 have been exceeding targets.</p> <p>The MTE argues that the CSSP II, because it contributes to reduce unit costs by promoting on-farm practices ICPM/Q (Integrated Crop and Pest Management and Quality practices), is even more relevant in the current context of declining cocoa prices than in its design (strong cocoa prices). <i>Source: Agrifor 2005; MN131; CSSPII</i></p>

	<p><i>MTE, 2011.</i></p> <p>According to interviews, the “Ghana Cocoa Sector Support Programme – phase II” provided seedlings and training (through farmer business schools) to farmer organisations. However, an interview with a farmer organisation highlighted that constraints such as access to spraying machines and fertilizers should still be addressed. <i>Source: MN 977, MN 943</i></p>
<b>MG vanilla coffee cocoa</b>	<p>Les fonds Stabex ont financé entre fin 2008 et fin 2010, pour un budget total de €4,7 millions, onze projets mis en œuvre par cinq organisations.</p> <p>Chacun des onze projets poursuivait les mêmes objectifs d'accroissement du revenu des producteurs par l'augmentation et l'amélioration de l'offre de cinq produits agricoles d'exportation (cacao, café, girofle, poivre, vanille) et par une meilleure valorisation au moment de l'échange.</p> <p>L'augmentation de l'offre des produits devait être le résultat de l'augmentation de la production — résultant elle-même de l'extension des surfaces consacrées à ces cultures et de l'amélioration de la productivité des exploitations.</p> <p><i>Source : Assistance Technique à la mise en œuvre du programme d'intensification et de structuration des principales filières d'exportation de produits agricoles à Madagascar, Rapport final</i></p>
<b>I.4.2.3</b>	Commission support contributed to increase agricultural commodities crop yields, crop quality and quantity
<b>CM Cocoa</b>	In Cameroon, the Mungo-Nkam rural development programme financed nurseries that produced 6,600 seedlings for 40 producer organisations by the mid-term evaluation of the project. <i>Source : évaluation à mi-parcours du programme de développement rural du Moungo Nkam HTSPE, 2009</i>
<b>Cocoa</b>	<p>According to the Ghana Country Strategy Evaluation Report, there has been an increase in cocoa production but the impact of the Stabex and CSSP interventions to this increase is not measurable, given the lack of baseline data. No new enterprises have been created. The income increase has occurred because of the world price increase and the increase of the producer's share in the export price.</p> <p>The increase in the producer's share of the export price was a prior condition to the sector's support so it can be considered that it indirectly did improve producer income. <i>Source: Ghana Country Strategy Evaluation report 2005, page 57</i></p>
<b>GH-Cocoa</b>	<p>According to interviews, the “Ghana Cocoa Sector Support Programme – phase II” contributed to increase yields (through the dissemination of new hybrid varieties of cocoa) and the time required for the cocoa trees to achieve maturity stage (from 6-7 years to 3 years).</p> <p>According to an interview with a farming community, their yields increased more than twofold thanks to the new varieties and techniques which were brought to them in the programme. <i>Source: MN 977, MN 943</i></p>
<b>MG vanilla coffee cocoa</b>	<p>Les fonds Stabex ont financé entre fin 2008 et fin 2010, pour un budget total de €4,7 millions, onze projets mis en œuvre par cinq organisations.</p> <p>Chacun des onze projets poursuivait les mêmes objectifs d'accroissement du revenu des producteurs par l'augmentation et l'amélioration de l'offre de cinq produits agricoles d'exportation (cacao, café, girofle, poivre, vanille) et par une meilleure valorisation au moment de l'échange.</p> <p>L'augmentation de l'offre des produits devait être le résultat de l'augmentation de la production — résultant elle-même de l'extension des surfaces consacrées à ces</p>

	<p>cultures et de l'amélioration de la productivité des exploitations.</p> <p>Parallèlement, à ces actions d'augmentation de l'offre les actions d'amélioration de la qualité des produits mis en vente avaient également pour objet d'assurer une meilleure rémunération des producteurs. L'amélioration de la valorisation devait être le résultat d'une mise en adéquation de la demande exprimée par les acheteurs et de l'offre résultant des actions du programme.</p> <p><i>Source : Assistance Technique à la mise en œuvre du programme d'intensification et de structuration des principales filières d'exportation de produits agricoles à Madagascar, Rapport final</i></p>
<b>GH Cocoa</b>	<p>An important activity of the CSSP I (2000-2005) programme was the compensation of farmers to uproot diseased plants and replace them with good seedlings and the use of adequate husbandry practices. The component (CSSVDCP) achieved the compensation of 17,444 farmers who uprooted about 30 million diseased cocoa plants; however, only about 15,000 plants were replanted. The final evaluation of the programme notes that the replanting of new, non diseased seedlings, did not necessarily lead to increased production and increased yields (as was expected) because many of the beneficiaries were old farmers who did not take up the good husbandry practices and did/could not look after their crop.</p> <p>The research component of the CSSP I also provided disappointing results: in terms of yields, quality and quantity, the research did develop new strands but the results achieved were not field tested and there was also some questioning of the geographical location of some of these plants.</p> <p>The seed multiplication component of CSSP I was not successful: the irrigated plots that were supposed to be set up did not come off the ground and the multiplication of seedlings by private sector farmers did not take off whilst the Seed Production Unit itself was unable to provide the 25 million seedlings required (it could do no more than 8 million seedlings).</p> <p>Overall the results of the CSSP I on yields and production levels will have been very localised and limited.</p>
<b>GH Cocoa</b>	<p>CSSP II is but one of the programmes that support the cocoa sector in Ghana. In particular the CSSP II is addressed to about 4000 farmers (there are 800,000 smaller farmers in the sector); it is hoped that demonstration effects will stimulate the other farmers to adopt the same husbandry practices.</p> <p>In terms of the effect of the EC CSSP II, this is too early to judge (the programme is in its second year). One notes that cocoa output has increased from 395,000 metric tonnes in 2000 to over 650,000 tonnes in 2009. Also, the share of cocoa in GDP rose from 4.9% in 2000-2004 to 8.1% in 2005/2006 and cocoa accounts for 28.5% of agricultural GDP. The CSSP's MTE claims that over the last three years cocoa has contributed substantially to agricultural sector growth. (page 18, MTE, 2011) <i>Source: CSSP II MTE 2011.</i></p>
<b>MG vanilla coffee cocoa</b>	<p>Oui mais la CE a <u>étendu à partir de 2008 ses appuis vers l'aval</u>. Avant 2008, les appuis concernaient essentiellement la production (recépages, plantations, etc. afin d'améliorer les rendements, la productivité et la qualité). A partir de 2008, les appuis ont également été centrés sur l'organisation du marché et la commercialisation 11 projets ont été sélectionnés sur appel à propositions (café, vanille, girofle, poivre, cacao) avec un volet appui à la production (CTHT, CNCC,...), un volet qualité (formation, sensibilisation, petit matériel) et un volet organisation des marchés au niveau des communes (ce qui a le moins bien marché car ce volet est très complexe à mettre en œuvre étant donné le contexte institutionnel et la concurrence des</p>

	acheteurs itinérants). ( <i>Source : MN 802</i> ).
<b>I.4.2.4</b>	Commission support contributed to improve infrastructures (e.g. feeder roads) related to agricultural commodity production, collection and processing
<b>Cocoa</b>	In Cameroon, the EU support has also been directed to infrastructure, including roads. However these roads were transnational ones, rather than feeder roads which would be more directly aimed at improving market access for farmers. Furthermore, stakeholders stressed the urgent need for improvement of infrastructures in order to make the sectors of coffee and cocoa more competitive (although roads have received significant funds in the past through Stabex). <i>Source : MN 913</i>
<b>GH Cocoa</b>	<p>Feeder roads have been built with Stabex funds in three phases. No institutional memory on Phases I (1997) and II (2003-2005) but 1100 km of roads were rehabilitated in cocoa producing areas. Phase III (2005-2007) did about 390 km of roads in the cocoa growing areas: spot improvement and rehabilitation.</p> <p>In the CSSP II there are no longer any supports to feeder roads or other infrastructure.</p> <p>The MTE of the FRIP (Phase III) noted: <i>‘At the stage of this mid term evaluation, only one road link has been achieved (lot 33 in maintenance period since April 2008); nevertheless during the site visit august 20<sup>th</sup> 2008, it appeared evident that the first benefits of the project are delivered to the beneficiaries; induced traffic, and commercial exchanges were noted.</i></p> <p><i>The traffic is now visible, and goods are transported from the production areas to the centres of commercial exchange; in the same way, access to health and social services is now possible for the populations of this food farming area.’</i> (page 43, MTE FRIP)</p> <p>It should be underlined that the benefits that accrue from the rehabilitation of the feeder roads are assumed, not measured: neither the project nor the district provides monitoring data on the results (increased production, marketing, agricultural service delivery etc.) <i>Source: MN 952, MN159, MN156, MTE FRIP 2008</i></p>
<b>I.4.2.5</b>	Commission support contributed to improve the collection and processing of agricultural commodities
<b>Cocoa</b>	<p>Stakeholders stressed the urgent need for improvement of infrastructures in order to make the sectors of coffee and cocoa more competitive (although roads have received significant funds in the past through Stabex). <i>Source : MN 913</i></p> <p>The Stabex-funded Mungo Nkam project (1997-2005) funded the construction of cocoa dryers in the region in order to improve the processing of the cocoa beans. (<i>Source : Mungo-Nkam mid-term evaluation report</i>)</p>
<b>GH cocoa</b>	<p>The support to research and dissemination of new high yielding disease resistant varieties is actually not working in favour of the local processing industry. Local processing is based on light crop bean, the second harvest which yields lower quality and is thus sold at 15% less than the price on world market, and at a 20% discount on the internal market. There is excess processing capacity at 500 000 tonnes, with only 40 000 tonnes of light crop beans produced.</p> <p>Now with better, high yielding varieties that produce all year round, there are less ‘light’ second crops and the quality produced is found too expensive by local processors. <i>Source: MN123</i></p>
<b>GH cocoa</b>	Following from earlier Stabex support to Cocobod (the state run monopolistic cocoa marketing agency) restructuring, the Commission continued to support the sector through the early 2000’s, together with the WB, with the objective of strengthening Cocobod’s efficiency and opening the sector to private sector internal

	marketing. As a result of Cocobod's increased efficiency and lower operating costs, the producer price for cocoa increased dramatically as a share of the world price (from 40% in 1994 to 50% in 1994/95 and then gradually to 73% in 2010). This result is the most easily verifiable of the targets pursued by the FMO 1992-93 which included (i) reduced marketing costs through the improvement of rural feeder roads, (iii) improved productivity and income of smallholder cocoa producers. <i>Source: FMO 1992-1993</i>
<b>MG vanilla coffee cocoa</b>	Depuis 2008, la Délégation a étendu ses appuis vers l'aval (commercialisation et transformation) afin d'améliorer la qualité dans une optique de diversification et de compétitivité ( <i>Source : MN 801</i> ). Les appuis sont donc également centrés sur l'organisation du marché et la commercialisation. 11 projets ont été sélectionnés sur appel à propositions (café, vanille, girofle, poivre, cacao) avec en outre un <u>volet appui à la production</u> (CTHT, CNCC,...) et un <u>volet qualité</u> (formation, sensibilisation, petit matériel) mais également un <u>volet organisation des marchés au niveau des communes</u> (ce qui a le moins bien marché car ce volet est très complexe à mettre en œuvre étant donné le contexte institutionnel et la concurrence des acheteurs itinérants). ( <i>Source : MN 802</i> ).
<b>J.4.3</b>	<b><i>Commission support has contributed to improve the capacity of producers to respond to commodity market requirements</i></b>
<b>I.4.3.1</b>	Commission support contributed to improve availability and use of market information and advisory services to producer organisations/producers (e.g. agricultural commodity prices, quality standards, packaging, timely delivery, etc.) at national and regional level
<b>Cocoa</b>	In Cameroon, the PACCIC programme (Programme d'Appui au Conseil Interprofessionnel Café-Cacao) had an activity on improving market information, by providing daily market prices in different regions of Cameroon for producers. The information is sent to them by text message on cellular phones. The same programme also provided information to have grouped supply and to inform buyers.  <i>Source : MN 913</i>
<b>GH Cocoa</b>	Normally the IITA, which is executing agency for one of the components of CSSP II, would have looked at these marketing aspects but in Ghana the internal marketing is tightly controlled and the external market is done by Cocobod, a state monopoly. There is thus no scope to investigate these issues further. 'In Ghana, we don't work with marketing innovations since the State owns it. There is no fool-proof method, but so far, no other system has the same quality and resilience as the Ghana nationalised cocoa system.' This has been confirmed by several stakeholders: the state monopoly is the best system working in Africa. <i>Source: MN131, MN 911, MN 140</i>
<b>MG vanilla coffee cocoa</b>	Les fonds Stabex ont financé entre fin 2008 et fin 2010, pour un budget total de €4,7 millions, onze projets mis en œuvre par cinq organisations. Chacun des onze projets poursuivait les mêmes objectifs d'accroissement du revenu des producteurs par l'augmentation et l'amélioration de l'offre de cinq produits agricoles d'exportation (cacao, café, girofle, poivre, vanille) et par une meilleure valorisation au moment de l'échange. Un nouveau mécanisme de mise en vente —la vente publique sur les marchés communaux, lors de la première transaction de la chaîne des échanges — devait être

	<p>celui par lequel les exigences des acheteurs seraient communiquées aux producteurs.</p> <p><i>Source : Assistance Technique à la mise en œuvre du programme d'intensification et de structuration des principales filières d'exportation de produits agricoles à Madagascar, Rapport final</i></p>
<b>I.4.3.2</b>	Commission supported interventions contributed to an increased number of producers/ producer organisations having direct contracts with supermarket chains and/or are certified with a label
<b>GH Cocoa</b>	<p>There are no groups as yet which have certification or labelling. The MTE notes that <i>'Driven by social, environmental, and health consciousness in OECD countries, fair trade, social support, and traceability are being increasingly promoted by some of Ghana's major cocoa sector stakeholders. The farmer-owned cocoa buying organisation, Kuapa Kokoo, was Fairtrade-certified in 1995 and now sells 27% of its purchases from 50,000 farmers under the FT label. In April 2009 Rainforest Alliance (RA) and Mars launched their RA certification programme. In December 2009, Cocoa Abrabopa became UTZ-certified. In August 2010, the Cadbury Cocoa Partnership (CCP) announced that 10 farmer organisations are being targeted for FT certification.'</i> (page 14, MTE 2011)</p> <p>It continues to recommend that FOs which were promoted under the CSSP II should move towards labellisation and certification with a view to sustain the FOs in the longer term. The objective would be to align the 56 communities with an interested certification agent like Kuapa Kokoo and to bring them into the Certification fold.</p> <p><i>Source: Mid Term Evaluation CSSPII, 2011.</i></p>
<b>I.4.3.3</b>	Commission supported interventions contributed to an increased number of producers/ producer organisations being coordinated at national and regional levels
<b>Cocoa</b>	<p>In Cameroon, the PACCIC programme (Programme d'Appui au Conseil Interprofessionnel Café-Cacao) which benefitted from EU funding allowed to regroup all coffee and cocoa producers (estimated to be 600,000) in one organisation.</p> <p><i>Source : MN 913</i></p>
<b>GH-Cocoa</b>	<p>According to an interview in a cocoa-producing community, the "Cocoa Sector Support Programme – phase II" led them to found a farmers organisation at the community level. On a national or regional level however, the programme has not had time yet to deliver such results. <i>Source: MN 943</i></p> <p><i>'With regard to Result 2 (improved cocoa governance) targets, 33 VVC communities were to be mobilised to initiate set up of farmer organisation by the end of Year 1 , increasing to 50 by the end of programme implementation in Year 3. By the end of Year 2, 56 communities had formed farmer groups of which about a third were well-organised; all 56 had received continued exposure to good governance practices during the first half of Year 3 (July to December 2010). It should be noted however that progress was intensively induced by CSSP II use of the specialist consultancy group, PDA, and supported by independent consultants thereafter. One reason for such concentrated effort was that IITA expected to train 16 Community Development Officers (CDOs) to support farmer organisation development but only 8 had been deployed by the Department of Community Development (DCD) in the eight districts in two regions covered by CSSP II. This reduced the level of co-opted support and triggered the need for greater infusions of short term technical assistance. (MTE page</i></p>



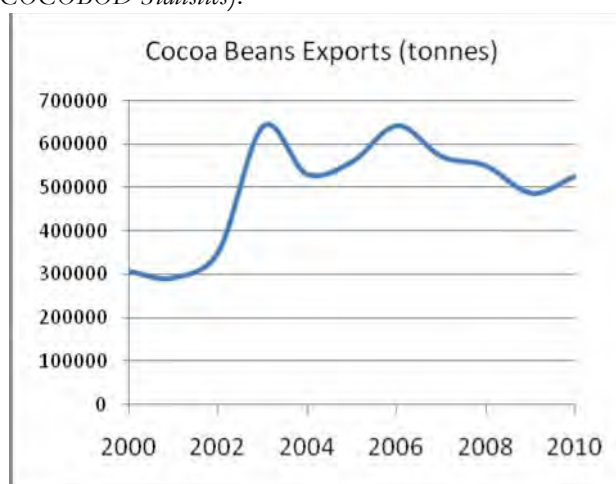
	<p>23)</p> <p>The MTE notes that good governance of the FO has not yet yielded good results. This would entail: community groups function democratically; are set up efficiently; recruit competent staff; are being managed transparently; and are providing members with agreed services cost-effectively and efficiently.</p> <p>According to a study cited in the MTE, out of the 56 CSSP II-assisted Farmer Organisations (FOs) initially set up, 16 (28.6%) have demonstrated strong or good leadership and high levels of commitment of FO members. <i>'In these groups there is consistent attendance at meetings, payment of dues, mobilisation of resources, regular meetings without prompting, development of own work plans, and registration at District - level and Registrar General (business) levels. But 2/3 of the groups are not fully ready to move to the next steps in the governance process – developing the capacity to provide members with agreed services on time, efficiently, and at costs that are lower than they would have incurred on their own. (...) As a rule of thumb, specialist Cooperative Society development service providers like SOCODEVI estimate that it takes 5 – 7 years before fledgling entities are in strong positions to contribute to governance issues on a national basis.'</i></p> <p><i>Source: CSSP MTE 2011</i></p>
<b>I.4.3.5</b>	Evidence that Commission supported activities towards improved competitiveness were coordinated with and complementary to the activities of other donors in the same areas
<b>GH Cocoa</b>	<p>The activities of the Commission's support through the 1990s and early 2000s were geared to support the sector's restructuring in which the WB was also heavily involved. The reforms were supported by the Cocoa Rehabilitation Project (1987) which was co-financed by other donors as well as the WB and by the Agricultural Sector Adjustment Programme (1992) funded by the WB. The Commission, by using its funds to accompany and facilitate this restructuring (payment of interest on Cocobod's cocoa bills, payment and/or retraining of some 10,000 Cocobod retrenched workers, etc.) is likely to have coordinated closely with other donors although there is no evidence of this in consulted documents.</p> <p>Currently, and although there are many other donors and stakeholders in the cocoa sector, the fact that the EC is funding a programme in support of cocoa is not widely known. This finding was also corroborated by the findings from the CSSP II MTE (2011). However, part of the CSSP II was executed by the IITA-STCP which was initially set up by USAID and also has different funding arrangements with different donors. By using the IITA-STCP to execute the farmers' training and FO component, the project thus is coordinated and complementary to other efforts in the same field. <i>Sources: MN181, MN131, CSSPII MTE (2011)</i></p>
<b>I.4.3.6</b>	Evidence that obtained results in terms of increased agricultural production and producers' capacity to respond to commodity market requirements outlast Commission support
<b>GH Cocoa</b>	<p>The first phase of the CSSP (2000-2005) focused mainly on uprooting and replanting and the evaluation concludes that the sustainability raised several concerns:</p> <ul style="list-style-type: none"> <li>- The disease is still not under control at the end of the programme and the programme failed to prevent CSSVD to spread westwards;</li> <li>- Some farmers are still awaiting compensation and this undermines confidence in staff</li> <li>- there is no monitoring system in place for replanted trees</li> </ul>

	<p>- the capacity of farmers for farm maintenance was not factored into the programme so sustainability is at risk</p> <p><i>Source: Agrifor 2005</i></p>
<b>CI coffee cocoa</b>	<p>Oui mais pas uniquement.</p> <p><u>Secteur café-cacao</u> : La viabilité des opérations se rattache à une organisation professionnelle de la filière efficace, <u>complémentaire d'une action de l'Etat</u> qui assure son rôle de régulation et de contrôle. Une démarche de qualité est la synthèse d'un <u>choix du marché et de normes à respecter</u>. Les paysans prendront en compte l'exigence de qualité et le travail que cela impose uniquement s'ils trouvent une réponse dans le prix qui leur est proposé. (<i>Source : Eval Stabex 2009</i>).</p>
<b>GH Cocoa</b>	<p>The MTE raises several points about the sustainability of the CSSP II results:</p> <ul style="list-style-type: none"> <li>▪ At district level, MoFA could replicate if it had the money but is also constrained by the fact that they didn't really benefit much from the project because of insufficient capacity (page 20, MTE 2011). In addition it should be noted that the extension officers that had been trained by the project belong to MOFA whereas in the meantime responsibility for cocoa farmers extension services has moved back from MOFA to Cocobod. The extent to which the officers trained have been recruited by Cocobod is not ascertained.</li> <li>▪ through the STCP-2 National Steering Committee, the CSSP II outcomes should be integrated into a broader national strategy and action plan but according to the MTE there is limited evidence that CSSP II assimilation is being addressed.</li> <li>▪ IITA has proposed the creation of a community based Extension Fund</li> <li>▪ The formation of 56 community associations and the use of ICPM/Q will be maintained if the profits are seen to be positive. Survival of the FOs beyond the period when direct benefits accrue to farmers from the project depends on the income increase which they experience - but this also depends on lots of external factors (world price) – and the access to inputs and support services.</li> </ul> <p>Corroborated by the team's own gathering of information which pointed towards the need for supplementary funds if the initiative is to be extended beyond the limited number of farmers benefiting from the project. The programme is targeting only 4,125 against 800,000 small cocoa farmers and at the moment there is no strategy to ensure that farmers will continue applying the ICPM/Q practices or that there will be alternative sources of funding available to consolidate and/or extend the initiative.</p> <p>The training activities (Farm Field Schools) undertaken by IITA-STCP could be funded by other donors but the format of FFS does not suit Cocobod's organisation/infrastructure where training is centred around more traditional (but expensive) training centres/training hostels.</p> <p><i>Source: FMO 1992-1993, CSSP II MTE, 2011, MN123.</i></p>
<b>J.4.4</b>	<b><i>Incomes of producers, sector and countries have improved as a result of Commission's support to the implementation of commodity chain strategies</i></b>
<b>I.4.4.1</b>	Evidence of increased exports (volume and value) of agricultural commodities to regional and international markets, of which in particular the EU
<b>GH Cocoa</b>	<p>The CSSPII did not realise its baseline data and did not monitor result indicators retained for M&amp;E in the FA.</p> <p>The income increase has occurred because of the world price increase and the increase of the producer's share in the export price.</p>

The increase in the producer's share of the export price was a prior condition to the sector's support so it can be considered that it indirectly did improve producer income. *Source: Ghana Country Strategy Evaluation report 2005, page 57*

According to the Ghana Living Standards Surveys, the value of sales (in constant Cedis) of cocoa has increased by 172% between 1998 and 2008.

Ghana's exports in tonnes between 2000 and 2010 are represented on the figure below (*Source: COCOBOD Statistics*):



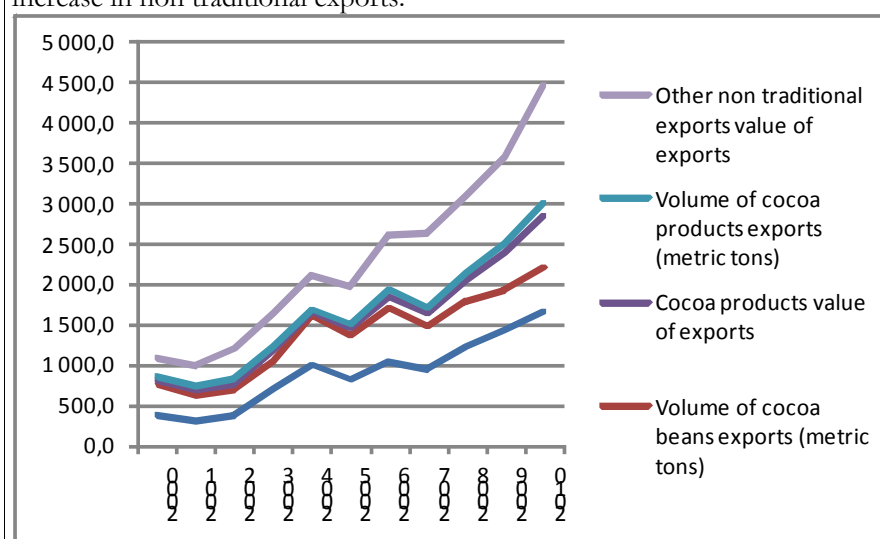
Overall, trade with the EU however has been declining from 2000 to 2010 (see table below):

*Direction of trade in % of total: importance of European Union*

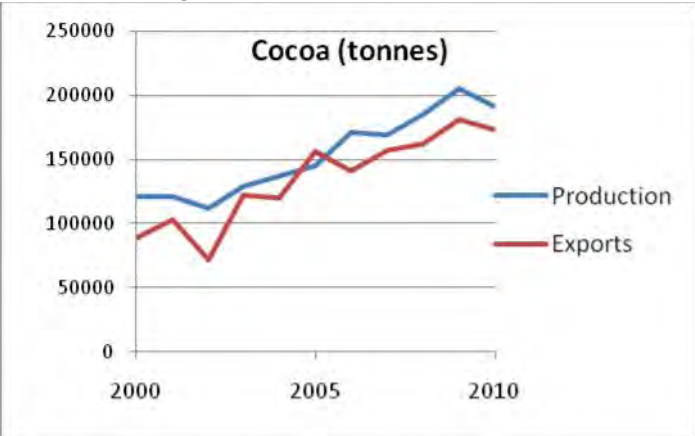
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Exports	54	52.8	53.6	52.2	48.9	27	30.4	31.6	35.2	40.4	32.6
Imports	45.2	34.8	36.5	32	33.1	36.8	23.6	20.9	10.8	24	28.1

*Source: Ghana Living Standards Surveys, eds. 4 (1999) and 5 (2008); COCOBOD Statistics*

The following graph shows the value and volumes of cocoa exports (cocoa beans and cocoa products): it shows an increasing trend on both counts and an even faster increase in non traditional exports.



*Source: Bank of Ghana Statistical bulletin several issues.*

<b>MG cocoa</b>	Depuis 2007, le cacao s'est hissé au 4 <sup>ème</sup> rang des exportations du secteur. Sa production est en nette augmentation mais le cacao malgache a perdu la surcote dont il bénéficiait en 2006-2007 pour ses qualités aromatiques.
<b>Cocoa</b>	<p>According to the ONCC (Office National de Café et Cacao) and the CICC (Conseil Interprofessionnel Café-Cacao), the trends of cocoa production over the past years are the following :</p>  <p><i>Source : ONCC-CICC data</i></p>
<b>I.4.4.2</b>	Evidence that foreign exchange earnings at country level have stabilised and increased due to improved performance of agricultural commodity related products in regional and international markets
<b>Cocoa CM</b>	According to an interview with stakeholders of the coffee and cocoa value chains in Cameroon, impacts on the incomes of producers are mostly due to price variations. The programmes undergone in the recent years are very small and would not have influenced the country. <i>Source : MN 913</i>
<b>I.4.4.3</b>	<p>Evidence that income levels at producer level and within the agricultural sector as a whole have stabilised and increased through:</p> <ul style="list-style-type: none"> <li>▪ The increased competitiveness of the agricultural commodity production</li> <li>▪ A diversification of the sources of income of the agricultural sector through expansion of agricultural commodity value added</li> <li>▪ Higher export earnings</li> </ul>
<b>Cocoa CM</b>	<p>According to an interview with stakeholders of the coffee and cocoa value chains in Cameroon, impacts on the incomes of producers are mostly due to price variations. Diversification of production is a natural phenomenon for those crops. The producers tend to them if the price is interesting. <i>Source : MN 913</i></p> <p>L'installation de séchoirs à cacao par le Mungo Nkam et leur location auraient généré d'importantes sources de revenu, au point d'avoir fait l'objet d'une taxe des municipalités annulée par la suite par le MINADER. <i>Source : Evaluation du PDR Mungo-Nkam</i></p>
<b>Cocoa GH</b>	<p>According to the Ghana Country Strategy Evaluation Report, Ghana doesn't have any comparative advantage in terms of locating cocoa processing industries because of :</p> <ul style="list-style-type: none"> <li>▪ Important economies of scale in the cocoa industry which imply a small number of large production plants</li> <li>▪ The requirement of the use of cocoa beans from several different origins.</li> </ul>

	The report states that for these reasons, the tariffs imposed by the EU on manufactured cocoa products don't impede the development of a cocoa industry which would anyway not be viable. <i>Source: Ghana Country Strategy Evaluation report 2005, page 94</i>
<b>CI coffee cocoa</b>	L'étude sur les revenus et les investissements des producteurs de café et de cacao, confirment <u>l'appauvrissement progressif et continu des ménages</u> (lié au partage déséquilibré de la marge produite sur le produit, au vieillissement des vergers, et à la dégradation des services de productivité). (Source : Eval Stabex 2009).
<b>GH Cocoa</b>	The final evaluation of CSSP I as well as the final evaluation of CSSP II or the current evaluation mission met the same twofold problem: <ul style="list-style-type: none"> <li>- The absence of any provision in the project design for monitoring farm level yields from newly planted trees and farm level income generated thereby. Any assessment has thus to rely on the farmers perception of how they have benefited from the different phases of the project to what extent such benefits have improved the quality of their living.</li> <li>- The absence of centrally gathered data by GoG.</li> </ul> The Agrifor 2005 evaluation of CSSP I actually relied on interviewing farmers having benefitted from the first phase (1994-1998) of the project since reaping full benefits from new tree planting only occurs after 8 to 10 years (the time is shorter now). They found that the increase in production was highly dependent upon the type of farmer: the young ones who had adopted the correct husbandry practices could get as much as 3 to 4 times higher yield. The others up to 2 times. <i>'The medium and big farm owners of younger age seems to be the one who have benefited most from the programme phase 1. There has been spectacular change in their living standards, which started to have a demonstration effect on other younger farmers.'</i>
<b>GH-Cocoa</b>	According to interviews, the incomes of cocoa farmers who participated in the "Ghana Cocoa Sector Support Programme – phase II" increased thanks to increased yields and training on good farming practices and accounting. <i>Source: MN 943</i>
<b>GH Cocoa</b>	The MTE states that: <i>'In major cocoa growing areas, income generation has been the major contributor to poverty reduction reducing poverty levels from 60% in 1992 to 24% in 2006 – in fact, reducing poverty in those areas at a faster rate than for the overall population, which fell from 52% to 29% over the same period. Cocoa has played a key role in Ghana's recent achievement of middle income status. It is projected to continue to grow at about 6% annually and should remain the most important agricultural commodity, accounting for about 60% of agricultural exports by 2015'.</i> (MTE page 18) <i>Source: CSSP II MTE 2011</i>
<b>GH Cocoa</b>	In 1997/98 the cocoa sector is composed of 426,000 cocoa farmers on 534,000 farms on 1.45 million Ha. Average yields are between 240 Kg/Ha to 250 Kg/Ha. <i>Source: Agrisystems, 1999.</i>
<b>I.4.4.4</b>	Producer/ farmer organisations and producers views on the effectiveness of increased competitiveness as an income increasing and stabilising tool and on the benefits from improved access to regional and international markets
<b>Cocoa CM</b>	According to interviewees, the intervention of the EU in the cocoa and coffee sectors in Cameroon are useful (e.g. better access to information). However several important constraints remain and hamper the competitiveness of the sector : plantations are widely spread out and small, and the infrastructure is highly deficient

	(roads, electricity...). <i>Source : MN 913</i>
<b>GH-Cocoa</b>	According to an interview with a farmer organisation, the “Cocoa Sector Support Programme – phase II” has led to improving the farmers’ income through an improvement of farming and management techniques. <i>Source: MN 943</i>

### EQ 5 on the Commission’s support to risk management

To what extent has the Commission's support contributed to protect agricultural commodity producers from income variability through risk management and/or social safety nets?																											
<b>J.5.1</b>	<b>Commission support has contributed to the development and implementation of risk management and compensatory tools</b>																										
<b>I.5.1.2</b>	Evidence that the Commission developed and eased the access to compensatory tools (such as Stabex, FLEX)																										
<b>GH cocoa</b>	<p>Ghana benefitted from almost €60 million of Stabex payments through the early 1990s: decline of export revenues was triggered by crop disease (1990-1991) and price collapse (1992-1993). Transfers were made as follows:</p> <table border="1"> <thead> <tr> <th>Year of Stabex</th> <th>in Euro m</th> <th>Agreement</th> <th>Use of transfers</th> </tr> </thead> <tbody> <tr> <td>1990</td> <td>6,9</td> <td>FMO 1990</td> <td>Cocobod redundancy payments</td> </tr> <tr> <td>1991</td> <td>16,4</td> <td>FMO 1991</td> <td>Cocoa sector restructuring (1)</td> </tr> <tr> <td>1992</td> <td>4,9</td> <td rowspan="3">FMO 1992-1993 (signed 1996)</td> <td>CSSP (€11,2 m)</td> </tr> <tr> <td>1993</td> <td>16,4</td> <td>Feeder Roads Phases I and II (€14 m)</td> </tr> <tr> <td>interests and balances</td> <td></td> <td>Feeder Roads Phase III (€11,8 m)</td> </tr> <tr> <td><b>Total</b></td> <td><b>59,7</b></td> <td></td> <td></td> </tr> </tbody> </table> <p>(1) Included Cocobod redundancy payments €8 m), interests on cocoa bills €4 m), retraining programme (€0.8 m), disease control (€3.5 m), and M&amp;E (€0.1 m).</p> <p><i>Source: Delegation of the European Commission in Ghana, FMO 1992-1993</i></p> <p>The FMO 1992-1993 was implemented in different phases, with the CSSP and Feeder Roads II and III being implemented after 2000.</p>	Year of Stabex	in Euro m	Agreement	Use of transfers	1990	6,9	FMO 1990	Cocobod redundancy payments	1991	16,4	FMO 1991	Cocoa sector restructuring (1)	1992	4,9	FMO 1992-1993 (signed 1996)	CSSP (€11,2 m)	1993	16,4	Feeder Roads Phases I and II (€14 m)	interests and balances		Feeder Roads Phase III (€11,8 m)	<b>Total</b>	<b>59,7</b>		
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<b>Total</b>	<b>59,7</b>																										
<b>CM Cocoa</b>	Malgré que les allocations Stabex soient terminées depuis 2000 (dernier COM Stabex au Cameroun date de 1998), les fonds sont toujours disponibles au cours de la période 2000-2010. Ils ont été utilisés aux routes de desserte, à divers projets de développement rural dont plus accessoirement les filières café cacao ainsi que des actions plus sociales et conditions de vie (voir liste protocoles Stabex). Globalement environ 60 M€ sur la période.																										
<b>VU</b>	<p>Vanuatu benefitted from Stabex funds as result of a downward trend of cocoa beans for the application year 1998. In fact, Vanuatu faced difficulties in the cocoa sector in 1998:</p> <ul style="list-style-type: none"> <li>▪ Marketed production of cocoa beans were equivalent to 1,501 millions VATU (against 1,757 millions VATU in 1997)</li> <li>▪ Exports of cocoa beans to the EC: 20 millions VATU and 142 tonnes (against 234.1 millions VATU and 1,536 tonnes in 1997).</li> </ul> <p>Stabex funds amounted to €157,090. These funds would be utilised to supplement the funding of the reconstruction of bridges and river crossings which was subject to the FMO relating to application years 1995 and 1996 and the balance of the funds from transfers up to 1994 (signed on 6 August 1999). Activities foreseen for the use of the Stabex funds were: studies and supervision, and works contract.</p>																										

	<p><i>Sources: Letter of 21 March 2000, Stabex in Vanuatu – Application year 1999 – collection of statistical data; Framework of Mutual Obligations for the use of STABEX funds for the application year 2008 between the Government of Vanuatu and the European Commission, May 2001; Letter of 5 January 2001, Vanuatu Stabex Report for 2000.</i></p>
<b>I.5.1.4</b>	Evidence that agricultural commodity strategies supported by Commission interventions addressed risk management
<b>ACP-ACP Cocoa</b>	<p>In Central African region, UNCTAD completed or has implemented the following activities.</p> <ul style="list-style-type: none"> <li>▪ “1.CEN.C03 - Commodity Supply Chain Finance - Coffee Cameroon” (completed): <ul style="list-style-type: none"> <li>- The study of value chain finance for coffee and cocoa in Cameroon was carried out from June to August 2010. It assesses current conditions of coffee/cocoa sectors' development, identified gaps and bottlenecks in the coffee/cocoa sectors' financing, especially those related to access to credit by smallholders and cooperatives, and defined strategic activities aiming to improve coffee/cocoa financing in Cameroon and establish necessary capacities for the sectors' development.</li> <li>- A capacity building workshop was held on 5-6 October 2010 in Kribi under the auspice of the Ministry of Commerce and in cooperation with the National Cocoa and Coffee Board (NCCB). Some 60 participants representing the government of Cameroon, cocoa and coffee stakeholders, financial institutions and development partners participated in the workshop. The meeting examined and validated the conclusions and recommendations of the study of value chain finance for coffee and cocoa in Cameroon and identified follow-up activities, such as the feasibility study for the creation of service centres/companies in coffee producing areas of Cameroon.</li> <li>- The report of the study of value chain finance for coffee and cocoa in Cameroon was finalized based on the comments and feedback received during the workshop.</li> </ul> </li> <li>▪ “1.CEN.C04 – Agricultural commodity exchanges” (ongoing in 2011): the objective of the activity (81,400 EUR) is the pre-feasibility study and support to relevant stakeholders for the potential creation of a commodity exchange with special focus on cocoa and coffee in Cameroon with a view to a future regional development. Progress was made with the recruitment of a consultant to undertake the prefeasibility study.</li> </ul> <p><i>Source: UNCTAD, Draft 6 Monthly progress report of the All ACP programme for the period from January to June 2011, 22 July 2011</i></p>
<b>GH Cocoa</b>	<p>The Cocobod controls indirectly the domestic purchase of cocoa (it licenses the buyers, sets the buyer's (farm gate) crop price and buys from the Licenced Buying Agents (LBAs)); the external trade is Cocobod's monopoly. For the farmer there is thus no risk on the price.</p> <p>Cocobod furthermore sells 70% of its production in future markets (3 months) so that is another source of risk management. It does require Cocobod to have lots of storage facility which may be a future problem if production expands even further.</p> <p><i>Source: MN131, MN123</i></p>

<b>I.5.1.5</b>	Evidence that the Commission supported interventions with a view to improving producers' access to finance (credit)
<b>GH Cocoa</b>	Only to the extent that the CSSPII supported the formation of farmers associations and that this may lead to eased access to credit for farmers.  <i>Source: MN 943</i>
<b>Cocoa</b>	The AAACP programme is funding a pre-feasibility study on the creation of a commodity exchange system for cocoa and coffee in Cameroon (possibly to be extended to the region).  <i>Source : MN 913; AAACP action fiches</i>
<b>I.5.1.6</b>	Evidence that the Commission supported interventions related to risk management at micro-level in order to better cope with agricultural commodity price variability
<b>GH Cocoa</b>	The CSSP II supports the CRIG, research institute for cocoa in Ghana, with the view to develop disease resistant varieties. <i>Source: project Fiche, MN 131.</i>
<b>J.5.3</b>	<b><i>Income variability and vulnerability to price fluctuations of producers, sector and countries has declined as a result of improved risk management</i></b>
<b>I.5.3.2</b>	Year-to-year and in-year variations of income levels within the agricultural sector as a whole have been reduced through the use of risk management and compensatory tools
<b>CI coffee cocoa</b>	Non bien que les constats ci-dessous portent sur le revenu de manière générale et non sur les variations annuelles : <u>Secteur café/cacao</u> : L'étude sur les revenus et les investissements des producteurs de café et de cacao, confirment l'appauvrissement progressif et continu des ménages (lié au partage déséquilibré de la marge produite sur le produit, au vieillissement des vergers, et à la dégradation des services de productivité). <i>Source : Eval Stabex 2009</i>
<b>I.5.3.4</b>	Year-to-year variations of income levels at country level have been reduced
<b>MG vanilla coffee cocoa</b>	Non de manière générale (valeur des exportations agricoles ont chuté de 17% de 2008 à 2009) ainsi que pour les deux produits ciblés (vanille et café) (Source : Rapport sur les exportations du secteur agriculture – élevage - pêche en 2009, Délégation de l'UE à Madagascar) A Madagascar, les exportations du secteur agriculture-élevage-pêche occupent la seconde place, avec 30% du total. Elles ont généré 290 millions USD de recettes en 2009 contre 351 millions USD l'année précédente (-17%). Les exportations de produits animaux (hors pêche) comptent pour moins de 5% du total et sont principalement constituées de cuirs et peaux Huit (8) produits ou catégories de produits représentent à eux seuls 85% de la valeur des exportations du secteur. Leur performance en 2009 dépend plus de facteurs structurels internes ou de l'état des marchés internationaux, que de l'effet de la crise politique qui a marqué le pays depuis le début de l'année. Depuis 2007, le cacao s'est hissé au 4 <sup>ème</sup> rang des exportations du secteur. Sa production est en nette augmentation mais le cacao malgache a perdu la surcote dont il bénéficiait en 2006-2007 pour ses qualités aromatiques. <u>Les produits des industries alimentaires occupent depuis quelques années une place croissante dans les exportations malgaches.</u> En 2009, la valeur des exportations s'est maintenue au niveau atteint depuis 2006 (entre 55 et 60 millions USD). Toutefois, la



	bonne performance des industries sucrières (+170%) et exportatrices de conserves de fruits et légumes (+52%) masque d'importantes difficultés pour les autres industries (-16% en 2008 et -31% en 2009). »
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### EQ 6 on the Commission's support to diversification

To what extent has Commission support helped producers, the agricultural sector and commodity dependent ACP countries to successfully diversify around traditional products?	
<b>J.6.1</b>	<b><i>The Commission's support has facilitated the analysis of Government's policy choices aiming for diversification and growth</i></b>
<b>I.6.1.2</b>	Evidence that specific tools have been developed and continue to be used for supporting strategic choices (e.g. competitiveness evaluations of specific commodity chains)
<b>Cocoa CI</b>	<b>Des études sont également prévues pour l'intervention:</b> Dans le cadre de l'activité A. 1.b. « Appui aux petits Planteurs d'autres cultures paysannes d'exportation » et pour le secteur <b>café-cacao</b> , il est envisagé d'intervenir qu'à travers des appuis institutionnels ponctuels ( <b>études</b> ou renforcement des capacités) mais ayant une importance stratégique pour sa restructuration et pour la répartition des revenus en son sein. ( <i>Source : Rider FA p.5 CI-REH</i> )
<b>J.6.2</b>	<b><i>The Commission has encouraged the diversification of sources of livelihoods of traditional agricultural commodity producers through the adoption and implementation of rural growth strategies</i></b>
<b>I.6.2.2</b>	The Commission's rural development strategies and interventions have included considerations for diversification of producers' livelihoods and have addressed international marketing issues
<b>Cocoa</b>	According to interviews, nothing is done for diversification from the coffee and cocoa sectors in Cameroon. Projects rather aim at redeveloping the sectors. According to stakeholders from the coffee and cocoa sectors, diversification is not an issue for producers, as they are already diversified. No producer depends solely on these productions for income. They will only tend to these crops if the prices are good. The EU also supported rural development programmes helping the diversification of peri-urban zones and coffee and cocoa producing regions. The programmes included hydraulic projects and plant nurseries. <i>Source : MN 409</i>
<b>I.6.2.5</b>	Stakeholders' views on implication of the Commission in diversification and growth initiatives
<b>GH-Cocoa</b>	According to an interview with a farmer organisation, the Ghana Cocoa Sector Support Programme – Phase II focused on increasing cocoa production, not on diversifying. However, the new plantations set up through the programme also include other crops (cassava, plantains), which ensure a diversity of production throughout the first years. The question of diversification will have to be analysed in the upcoming years, once the cocoa trees have outgrown the other crops.  <i>Source: MN 943</i>

<b>J.6.4</b>	<b><i>The income vulnerability of producers, sector and countries has declined as a result of the implementation of diversification strategies</i></b>
<b>I.6.4.2</b>	Evidence that income levels of producers have stabilised and increased in geographical zones where diversification strategies have been implemented
<b>CI coffee cocoa</b>	<u>Secteur café/cacao</u> : L'étude sur les revenus et les investissements des producteurs de café et de cacao, confirment l'appauvrissement progressif et continu des ménages (lié au partage déséquilibré de la marge produite sur le produit, au vieillissement des vergers, et à la dégradation des services de productivité). <i>Source</i> : <i>Eval Stabex 2009</i>
<b>I.6.4.5</b>	Producers views on the effectiveness of diversification as an income stabilising and improvement tool
<b>GH-Cocoa</b>	According to the producers that were met, diversification is not much of an issue for the moment, and their objective is rather to intensify cocoa production. <i>Source</i> : <i>MN 943</i>

### EQ 7 on Commission support in the wider context of EC policies

**To what extent did the implementation of other relevant European Community policies strengthen or weaken the pursuit of the COM's objectives ?**

<b>J.7.3</b>	<b><i>Commission' support to agricultural commodities has taken into account Commission transversal policies regarding gender, environment, protection of human rights, corporate responsibility (including child labour and other social rights) and HIV/AIDS in CDDCs</i></b>
<b>I.7.3.2</b>	Evidence of inclusion of specific measures targeting these cross-cutting issues in interventions supporting agricultural commodities
<b>GH Cocoa</b>	The programme's environmental relevance is that productivity gains should slow down the process of further deforestation, partly because demand for new land should be tempered by better (cocoa) input/output performance on existing acreage. (page 18, MTE 2011) The IITA work plan included specific cross-cutting issues: the environment (deforestation), gender (female farmer participation), human rights (illegal child labour), and occupational safety and health (on-farm guidelines). These issues were addressed in Year 1 and 2 via VCC and FFS training and CSSP II community-targeted sensitisation. IITA also contracted Conservation Alliance in Ghana (CAG) to develop a bio-diversity strategy aimed at bridging forest corridors now separated by increased cocoa acreage and excessive timber logging. (page 20, MTE, 2011)  <i>Source: CSSP II MTE 2011</i>
<b>Cocoa</b>	Des projets de séchoirs à cacao réalisés sur fonds Stabex au Cameroun ont également permis de réaliser des économies importantes en bois de chauffe, tout en améliorant la qualité des produits. <i>Source : Rapport COM Stabex Unifié</i>

### EQ 8 on the use made of different financing instruments in support of agricultural commodities

To what extent were different financing instruments and implementation modalities used in a cost effective and timely manner in order to facilitate attainment of the COM's objectives?	
<b>J.8.1</b>	<i>The use of different financing instruments facilitated the development of synergies and complementarities between different interventions so as to facilitate achievement of the COM's objectives</i>
<b>I.8.1.3</b>	Evidence that interventions financed under non programmable funds in a given country have reinforced the achievements of interventions financed under programmable funds
<b>GH Cocoa</b>	In Ghana, the programmable funds have been used to consolidate the achievements of interventions supported through STABEX funds in the rural feeder roads and the cocoa sectors. The support to the Cocoa sector started in the 1990s with different elements supporting restructuring of the sector and the CSSVDCP (1994-1998) which aimed to stem the outbreak of the disease; it was followed by the use of Stabex funds (1992-93) for continuing the disease related activities (uprooting-replanting programme), adding research and extension and feeder roads rehabilitation. This was implemented over 2000-2005 after which the EDF funds were used to fund a CSSP II (again research, extension, seed multiplication) and a feeder roads rehabilitation programme. More recently a PSD&T programme is also indirectly relevant to the cocoa and other sectors in strengthening trade capacities. <i>Source: Agrifor 2005, programme documents (CSSP I, CSSP II, FRIP, PSTEP).</i>
<b>J.8.2</b>	<i>At country level, the support to agricultural commodities used a mix of financing modalities and implementation mechanisms that offered timely and cost-effective responses to the challenges identified</i>
<b>I.8.2.1</b>	Evidence of justification in the programming documents of the choice of financing modalities and implementation mechanisms, including in terms of timeliness of implementation and cost-effectiveness of interventions
<b>GH Cocoa</b>	Reportedly the choice of implementation modalities and financing modalities used in CSSP II came from the observations made in the evaluation report of CSSP I. <i>Source: MN159.</i> The programme was reduced from an initial programming (at NIP stage) of €10 million to an actual €5million because funds were needed for something else (totally unrelated to cocoa). <i>Source: MN 145</i>
<b>I.8.2.2</b>	Ex post evidence that this choice was justified in terms of effectiveness and efficiency with regard to the outputs produced and the results obtained within the allocated budget and the planned schedule: <ul style="list-style-type: none"> <li>▪ extent to which outputs were produced according to plan</li> <li>▪ extent to which results were achieved according to expectations</li> <li>▪ nature of any factors having influenced cost overruns, implementation delays, or shortfalls with regard to results achieved</li> </ul>
<b>GH Cocoa</b>	The CSSP I, implemented between 2000 and 2005, was designed as a three year programme but was implemented over 5 years. The final evaluation of CSSP I notes several problems with regards to the implementation arrangements where a PMU had been appointed to oversee the project's activities. The research component's effectiveness was undermined by lack of efficiency: <i>'Achievement of intended results of the four research projects on pests and diseases were in most</i>

	<p><i>cases hampered by the general start-up delays of the programme, logistics and procurement problem'. The delays were linked to the internal reorganisation of Cocobod.</i></p> <p>On the whole the PMU is judged to have worked efficiently but the main shortcomings have been the planning and timing of activities (lack of organisational efficiency) and overall for all components of the programme a lack of M&amp;E.</p> <p><i>Source: Agrifor 2005</i></p>
<b>GH Cocoa</b>	<p>According to the CSSP II MTE, the choice and quantity of inputs (financial, human and administrative resources) were aligned with the activities to be undertaken. On the side of the implementing agencies (IA) things didn't work out so well. On the one hand there was the IITA which was used to implementing similar projects. On the other was Cocobod's SPU and CRIG which have different (Cocobod-specific) agendas, time frames and capacity limitations and were not as "ready" as IITA was for intensive project implementation. Stakeholder involvement in programme design seems to have been uncertain and the MTE notes that there was no analysis of assumptions and risks. (<i>page 20, MTE 2011</i>)</p> <p>For the IITA-STCP, a grant contract was used. It is a three year arrangement whereby the implementation procedures are agreed between the executing agent and the EC. Under grant, they don't have to use EDF procurement procedures.</p> <p>For the SPU and CRIG, annual PEs were used. These as well as the EDF procurement and accounting procedures have been major hindrances in project efficiency. The fact that tendering procedures were not strictly adhered to in PE1 has led to Cocobod having to reimburse the EC for that procurement. Other procurement is so much delayed that they are still currently in the process of procuring vehicles that should have been there under PE1. In addition there have been problems in getting advances replenished, with major delays occurring between the time the advance is requested and the time it arrives (due to accounting and auditing requirements: the account has to be closed before the next payment can be made). The delays in procurement and advances have had less negative impact upon effectiveness than could have been the case if Cocobod hadn't put its own resources when EDF resources were not forthcoming. The problem is that the activities and procurement of SPU and CRIG are very time sensitive and if you miss then you have to wait for next year.</p> <p>The EU DEL provides regular training on EDF procedures and it shouldn't be a problem. If it is a problem then possibly the beneficiary is not so committed to the project. Explanations of the problems that hit the implementation of the CSSPII include:</p> <ul style="list-style-type: none"> <li>- it would seem that SPU and CRIG are not that committed to CSSP II (they benefit from important funding elsewhere)</li> <li>- they have difficulties in working together under one umbrella (that of Cocobod): they see themselves as totally separate entities and do not easily work together (share procurement, share budget etc.).</li> <li>- they have administrative problems with their own structure (Cocobod)</li> <li>- the project's steering committee is not reactive: it doesn't see the problems.</li> </ul> <p><i>Sources: MN159, MN 136, MN 114, CSSP II MTE, 2011</i></p>
<b>I.8.2.3</b>	Views of Commission staff on the appropriateness of financing modalities and implementation mechanisms used for the different financing instruments
<b>GH Cocoa</b>	For CSSP II, the problems with using the PEs by Cocobod are linked also to the fact that they didn't understand how the programme would be managed, they had several changes of PM... they changed procedures again and again.

	<p>If the quality of the project design was unsatisfactory (with regards for example to the CSSP II where the MTE claimed that the risks and assumptions of the project had not discussed the institutional arrangements) then the project quality control process at design stage might also be questioned.</p> <p>On the choice of financing instrument, it is not clear why small amounts of money under a project require such stringently adhered to procedures when Ghana is receiving massive amounts of budget support at the same time for which procedures are found to be acceptable. <i>Source: MN159, MN156</i></p>
<b>I.8.2.4</b>	Views of the stakeholders on appropriateness of the financing modalities and implementation mechanisms used with regard to their cost effectiveness and timeliness vis-à-vis the objectives pursued
<b>GH Cocoa</b>	<p>The SPU and CRIG both underlined the complexity of EDF procedures. They both work with annual PEs. Their staff didn't understand the procedures to be followed for procurement and this has led to (i) Cocobod having to reimburse the CE for the first tender which was found not conform to procedures and (ii) major delays in procurement which are as yet unresolved, almost three years after the process was launched and with only a few months before project closure.</p> <p>In addition there have been problems in getting advances replenished, with major delays occurring between the time the advance is requested and the time it arrives (due to accounting and auditing requirements: the account has to be closed before the next payment can be made).</p> <p>Project staff have underlined the need for a special person to take care of the project procurement and accounting because for them it is an extra weight on their normal job. They would have wished for a PMU or secretariat to facilitate. The EU office (NAO and DEL) have helped them but they are themselves also sometimes confused and not aware of the latest rules to follow.</p> <p>Timeliness has been really bad: the moneys arrive too late and so the project cannot implement its activities on time whereas they are very much time-bound: if you miss the moment then you have to wait for a year before you can undertake what was required. Both the procurement poses a problem (major delay for example in getting the vehicles which have only just got out of the tender evaluation, a process which was started under PE1 two years previously) and the advances and replenishment of the advances which take about 3-4 months to do because the account has to be closed before you get the next instalment. Activities have been less affected than could have been the case because they ended up using Cocobod funds to undertake the essential activities and procure what they required.</p> <p>The staff doesn't understand why Cocobod procedures cannot be used: they are adapted to the time frame of operations. They have about 25 other external supports to Cocobod and none of them is anyway near as complex and difficult as the EC ones.</p> <p>In short their conclusion is: <u>the money is there but you cannot use it</u>. There are so many requirements that you're not sure how you can use it. Too complex and changing. <i>Sources: MN 114, MN123.</i></p>

<b>J.8.3</b>	<i>At sector level, the interventions used financing modalities and implementation mechanisms that were adapted to the absorption and implementation capacities of implementation agencies, regional organisations and producer organisations</i>
<b>I.8.3.1</b>	Intervention formulation documents included a diagnostic of the institutional capacity of the implementing agency to undertake the required tasks
<b>GH Cocoa</b>	According to the CSSP II MTE, there was no evidence of diagnostics of institutions having been done for IITA, SPU and CRIG. There was no evidence either of risks and assumptions having been looked at. <i>Source: CSSP II MTE, 2011</i>
<b>I.8.3.2</b>	Evidence of mix of different financing modalities used within a sector and within programmes (MoU/FA) to adapt to needs and absorption capacities
<b>GH Cocoa</b>	Within the CSSP II there was use of both grant contract (for IITA-STCP) and PEs (for SPU and CRIG). No explanations of these choices were given to the consultants.
<b>I.8.3.3</b>	Evidence of mix of different implementation mechanisms used within a sector and within programmes (MoU/FA) to adapt to implementation capacities
<b>GH Cocoa</b>	The first CSSP (I) had a PMU for project implementation. There is no explanation as to the reasons for not providing this in CSSP II whilst the project is equally complex (with 3 implementing agencies involved).
<b>I.8.3.4</b>	Mitigating actions and measures were contained in sector interventions to compensate for identified institutional capacity weaknesses
<b>GH Cocoa</b>	Some training and advice were given to the Project manager of SPU-CRIG in EDF procurement rules during the project life time. <i>Source: MN114</i>
<b>I.8.3.5</b>	Views of the stakeholders on appropriateness of implementation mechanisms with regard to the management of the project implementation, the organisational and managerial strength of the beneficiary agency and the objectives pursued
<b>GH Cocoa</b>	<p>The CSSP II MTE notes: <i>'the major issue affecting the Cocobod component is the inability of the two implementing units (SPU and CRIG) to complete the tendering process in accordance with EC guidelines. Some items, such as polythene bags, shade nets etc., could not be procured within the PE time frames. This has had some adverse effects on efficiency (conversion of inputs to outputs) in Year 1 and 2 although both entities claim to have met their annual targets. Steps are being taken to correct this deficiency via training and assignment of procurement responsibility to accounting personnel. Programme oversight and guidance is vested in the STCP Ghana - National Steering Committee (NSC) which is supposed to meet quarterly to review LA progress and highlight key issues of concern. But in fact meetings were not held as often as planned (50%) and implementation (at least for Cocobod components) met with difficulties that could thus not be addressed in a timely manner. (MTE page25).</i></p> <p>The project managers themselves found the implementation mechanisms totally inappropriate: the procurement and funding rules cannot be used for time bound activities and they are so complex as to require a special unit to deal with procurement and project accounting. Indeed doing this on top of the normal job is too heavy. <i>Source: CSSP II MTE 2011, MN114</i></p>

## EQ 9 concluding on the relevance of the 2 COMs

To what extent has the Commission's support to agricultural commodities been:

- (i) responsive to the needs, problems and issues of commodity dependent ACP countries,
- (ii) aligned to and supportive of the policy objectives and priorities of recipient commodity dependent ACP countries and regions, and
- (iii) consistent with and supportive of the objectives of the two communications COM(2004)89 and COM(2004)87<sup>1</sup>?

<sup>1</sup> COM(2004)89: 'Agricultural Commodity Chains, Dependence and Poverty – A proposal for an EU Action Plan'; COM(2004)87: 'Proposal for an EU-Africa partnership in support of cotton sector development' and its associated Action Plan (Action plan for the implementation of the EU-Africa Partnership for cotton)

<b>J.9.1</b>	<b><i>The interventions supported by the Commission in the field of agricultural commodities have been designed as a response to the country's needs, problems and issues</i></b>
<b>I.9.1.1</b>	Country programming and project documents include an analysis of needs and challenges of the agricultural commodity sector or are based on existing diagnostics of the competitiveness of agricultural commodity value chains (Domestic Resource Cost studies)
<b>GH Cocoa</b>	Although the team did not see the programming files, the final evaluation of CSSP I states: <i>'The overall programme design was elaborated on the basis of very profound and comprehensive project planning documents. Most of the findings of these preparatory activities as well as the proposed Logframe were incorporated in the final core document of the programme.'</i> (Agrifor, Page 38) It is also quite obvious that the conclusions and recommendations from the final evaluation of CSSP I played an important role in shaping the design of CSSP II since one finds in the design of CSSP II several elements underlined in the evaluation such as the need to promote farmers associations, the production of seedlings, extension services etc. <i>Source: Agrifor 2005.</i>
<b>I.9.1.2</b>	Programming and formulation documents explicitly show which needs are intended to be responded to and how the proposed interventions will address these needs at macro-economic and commodity sector level
<b>GH Cocoa</b>	No details could be found to assess the manner in which needs had been responded to in the programming and formulation documents of CSSP I. However the final evaluation of CSSP I notes that despite detailed analysis, the project failed to establish the wider links between the issue being supported (diseased trees) and the structural problems faced by the sector: <i>'the technical, economic and social problems that accompany the replanting of cocoa farms were not addressed in the CSSVDCP. In other words, the CSSVDCP was carried out like if the control of the CSSVD was a specific and separate issue, regardless of the others structural problems faced by the sector. The fact that the complexity and interactions between these different factors (ageing population, ageing cocoa tree stock, end of the "pioneer phase") were not sufficiently integrated within the programme has certainly hampered the achievement of its overall purpose of increased national production. This is even more regrettable that these structural problems were already well identified, analysed and stressed in the support documents to programme's planning.'</i> (Agrifor page 39) Apart from 'missing links' in the project to achieve higher cocoa output, the problem of lack of identification of potential higher producers was also underlined in the final evaluation: the project did not differentiate farmers by holding size or ability to pick up the new husbandry practices and those that had potential to raise productivity (as it is most of the programme's beneficiaries were old cocoa farmers who uprooted but has little interest in replanting).

	<p>And in its conclusions: <i>‘The mission concludes that the EU/Ghana Cocoa Sector Support Programme was highly relevant to the national development policies and to the constraints faced by the sector and it is contributing to the overarching policy objectives of poverty reduction. The programme emphasis was on the control of the CSSVD, which one of the main structural problems faced by the cocoa sector in Ghana. The other specific objectives of the programme concerning the Seed Production Unit and the Cocoa Research Institute were all very relevant with Ghana cocoa policy objectives. However the programme should have allocated more resources to the problem of rehabilitation of old cocoa growing areas and/or replacement of old cocoa farms (less than 1% of total budget). It should also have better integrated the specific technical and socio-economic constraints caused by the end of the expansion phase of cocoa development in Ghana.’ Source: Agrifor 2005.</i></p>
<b>I.9.1.3</b>	Explicit reference in programming documents of Commission interventions to measures ensuring sustainability such as the participation of key stakeholders when designing programmes and projects
<b>GH Cocoa</b>	In the CSSP I the programme funding was 25% for the Commission and the rest from GoG. The evaluation of 2005 points out that this financing scheme was highly relevant to the sustainability of the programme. <i>Source: Agrifor 2005</i>
<b>J.9.2</b>	<b><i>The choice of interventions is aligned with the policy objectives and priorities of the beneficiary country’s national strategy</i></b>
<b>I.9.2.1</b>	Existence in the programming documents of explicit reference to the country’s national and commodity sector policy objectives and priorities
<b>GH Cocoa</b>	<p>For the earlier support to cocoa (CSSP I 2000-2005) the final evaluation notes that there was a lack of coherence between the overall objectives of the cocoa sector strategy (increased production, increased quality) and the disease-control programme component (CSSVD) activities: the programme did well on the uprooting and the linked compensation of smallholder farmers but it did not do well on the replanting.</p> <p>The CSSP II MTE notes: <i>‘The objective of contributing to improved livelihoods through farmer adoption of sustainable cocoa production methods is consistent with and supportive of GoG’s policies and strategies, especially the GPRS II and its replacement, the GSDGA I. Specifically, it is consistent with the GPRS II private sector development pillar where agriculture is expected to lead to growth and structural transformation of the economy.</i></p> <p><i>CSSP II is in line with GPRS II intervention areas for modernising agriculture such as reform of land acquisition and property rights, enhancing access to credit and inputs for agriculture, promoting selective crop development, increasing access to extension services and restoration of degraded areas of the environment. It is also aligned with the GSDGA I (2010 – 2013)’s objective of accelerated technology-driven agriculture sector modernisation. CSSP II is allied with FASDEP II policy objectives, namely a) improved growth in incomes; b) increased competitiveness and enhanced integration into domestic and international markets; c) sustainable management of land and environment; science and technology in agriculture development and improved institutional coordination. However, while remaining committed to enhancing cocoa competitiveness, emphasis is also being placed on expanding cereals and other cash crop production for food security and export development reasons in line with GSDGA I’. (page 17, MTE, 2011) Source: MTE CSSP II, 2011</i></p>
<b>I.9.2.2</b>	Programming documents explicitly show how the Commission's priorities are aligned on the national and sectoral objectives
<b>GH Cocoa</b>	The CSSP I final evaluation concludes on relevance: <i>‘The mission concludes that the EU/Ghana Cocoa Sector Support Programme was highly relevant to the national development policies and to the constraints faced by the sector and it is contributing to the overarching policy objectives of poverty reduction. The programme emphasis was on the control of the CSSVD, which one of the main structural problems</i>




	<i>faced by the cocoa sector in Ghana. The other specific objectives of the programme concerning the Seed Production Unit and the Cocoa Research Institute were all very relevant with Ghana cocoa policy objectives. However the programme should have allocated more resources to the problem of rehabilitation of old cocoa growing areas and/or replacement of old cocoa farms (less than 1% of total budget). It should also have better integrated the specific technical and socio-economic constraints caused by the end of the expansion phase of cocoa development in Ghana.' Source: Agrifor 2005</i>
<b>J.9.3</b>	<b><i>Over the period 2004-2009, the choice of interventions supported in the field of agricultural commodities is aligned to the objectives of the two Communications and has helped their achievement</i></b>
<b>I.9.3.1</b>	EC stakeholders know the COM (2004) 89 and the COM (2004) 87 and have designed interventions taking into account the strategy defined in the COMs
<b>Cocoa CM</b>	Les timides interventions de la CE dans les filières cacao /café ont touché certaines priorités de la COM plus que d'autres (approche chaine de valeur, amélioration de la compétitivité, de la qualité, transparence sur les prix, groupement des producteurs et capacités organisationnelles..). L'approche « chaine de valeur » n'est que toute récente et n'a été appliquée actuellement qu'à la filière café. Elle reste à mettre en place pour le cacao et à suivre globalement pour la filière café. Certains maillons faibles restent à renforcer (matériel végétal certifié, ..).



## Coffee - Product Fiche

### 0. Identification of the product

	<ul style="list-style-type: none"><li>▪ Coffee</li><li>▪ <i>Coffea arabica</i> (Arabica coffee), <i>Coffea canephora</i> (Robusta coffee)<sup>22</sup></li></ul> <p>Roasted coffee beans are used to prepare the well-known coffee beverage.</p> <p>By-products of coffee processing are mainly coffee pulp, parchment husks and coffee husks. These by-products can be used as soil conditioners, fertilizers, mulch, animal feed, biogas, charcoal, heat energy, wax and acids<sup>23</sup></p> <p>Coffee substitutes can be made by roasting or decocting various organic products. The most famous by-product is ground roasted chicory-root.</p>
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<sup>22</sup> Other coffee species include *Coffea benghalensis*, *Coffea congensis*, *Coffea excelsa*, *Coffea gallienii*, *Coffea bonnierii*, *Coffea mogenetii*, *Coffea liberica*, and *Coffea stenophylla* should maybe be added to the list. The two main species count for over 90% of coffee production.

<sup>23</sup> <http://ezinearticles.com/?Being-Green-to-the-Last-Ground-Through-Sustainable-Coffee-By-Products&id=4088671>  
online June 29 2010

## 1. Commission support to the product

Commission support to coffee over 2000-2009 has been as follows (in Euros):

**Table 14: Commission support per country**

Countries	Planned amount
MALAWI	363,465
PAPUA NEW GUINEA	643,205
SOLOMON ISLANDS	686,927
ALL COUNTRIES	2,499,950
SIERRA LEONE	2,676,498
HAITI	4,460,507
TOGO	6,068,822
MADAGASCAR	12,031,362
ETHIOPIA	12,805,880
CAMEROUN	17,413,223
RWANDA	18,108,585
BURUNDI	18,722,061
TANZANIA	27,185,660
UGANDA	34,056,887
SUDAN	35,174,488
KENYA	51,046,480
IVORY COAST	82,037,253
<b>Grand Total</b>	<b>325,981,253</b>

*Source: ADE Inventory based on CRIS*

**Table 15: Commission support per budget line**

Budget lines	Planned amount
CDC	87,659
FOOD	414,600
ONG-PVD	672,036
ENV	2,499,950
FED	13,270,880
Stabex	309,036,128
<b>Grand Total</b>	<b>325,981,253</b>

*Source: ADE Inventory based on CRIS*

**Table 16: Commission support per Communication priority and country**

Support per priority and countries	Planned amount
<b>Priority 2 (Competitiveness)</b>	<b>16,945,125</b>
HAITI	1,639,295
ALL COUNTRIES	2,499,950
ETHIOPIA	12,805,880
<b>Priority 3 (Risk Management)</b>	<b>309,036,128</b>
MALAWI	363,465
PAPUA NEW GUINEA	643,205
SOLOMON ISLANDS	686,927
SIERRA LEONE	2,676,498
HAITI	2,821,212
TOGO	6,068,822
MADAGASCAR	12,031,362
CAMEROUN	17,413,223
RWANDA	18,108,585
BURUNDI	18,722,061
TANZANIA	27,185,660
UGANDA	34,056,887
SUDAN	35,174,488
KENYA	51,046,480
IVORY COAST	82,037,253
<b>Grand Total</b>	<b>325,981,253</b>

*Source: ADE Inventory based on CRIS*

Note: The amounts allocated from the Stabex funds are ranked under Priority 3 (Risk management) by default since their actual use would need to be checked on a case-by-case basis. In visited countries some information was gathered as follows:

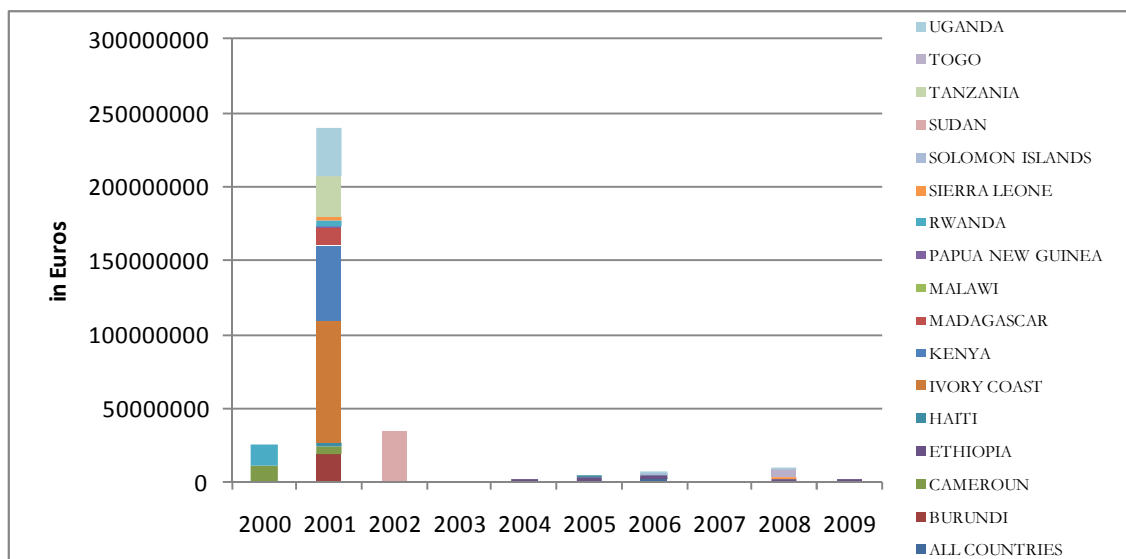
- In Tanzania, the coffee Stabex transfers have been used primarily to support the Coffee Research Institute of Tanzania.
- In Ivory Coast, at least €15 m were used to support the cotton sector (payment of cotton price subsidies during the 2001-2002-2003 seasons). Some of the Stabex funds were used to support the coffee prices in 2001 and 2002 and to institutionalise associations supporting coffee and cocoa growers in case of non-payment of the crop ('les fonds de garantie des cooperatives café-cacao'). Much of the remaining funds were frozen awaiting the regularisation of issues brought to light by an audit.
- In Uganda, just over €2 million were used to support coffee and the remainder was used mainly to support diversification and tourism. Projects to improve productivity, the quality and efficiency of the coffee value chain were supported.
- In Madagascar there was still a €80 million overhang of accumulated Stabex monies as of end December 2010. Coffee has been supported amongst other export crops with a focus on production in the beginning of the period, extending to the whole marketing chain towards the end of the period under review.

**Table 17: Commission support to the coffee sector per area of support**

Areas of support and countries	Planned amount
<b>Farmer organisation</b>	<b>1,137,036</b>
HAITI	1,137,036
<b>Infrastructure / Equipment</b>	<b>4,042,524</b>
ETHIOPIA	4,042,524
<b>Institutional and regulatory support</b>	<b>523,131</b>
ETHIOPIA	523,131
<b>Other</b>	<b>42,676</b>
ETHIOPIA	42,676
<b>Stabex</b>	<b>309,036,128</b>
MALAWI	363,465
PAPUA NEW GUINEA	643,205
SOLOMON ISLANDS	686,927
SIERRA LEONE	2,676,498
HAITI	2,821,212
TOGO	6,068,822
MADAGASCAR	12,031,362
CAMEROUN	17,413,223
RWANDA	18,108,585
BURUNDI	18,722,061
TANZANIA	27,185,660
UGANDA	34,056,887
SUDAN	35,174,488
KENYA	51,046,480
IVORY COAST	82,037,253
<b>Support to producer</b>	<b>8,197,549</b>
ETHIOPIA	8,197,549
<b>Value Chain</b>	<b>3,002,209</b>
ALL COUNTRIES	2,499,950
HAITI	502,259
<b>Grand Total</b>	<b>325,981,253</b>

*Source: ADE Inventory based on CRIS*

**Graph 20: Evolution of contracted amounts per year per country, 2000-2009**



Source: ADE Inventory based on CRIS

## 2. Main characteristics of the sub-sector

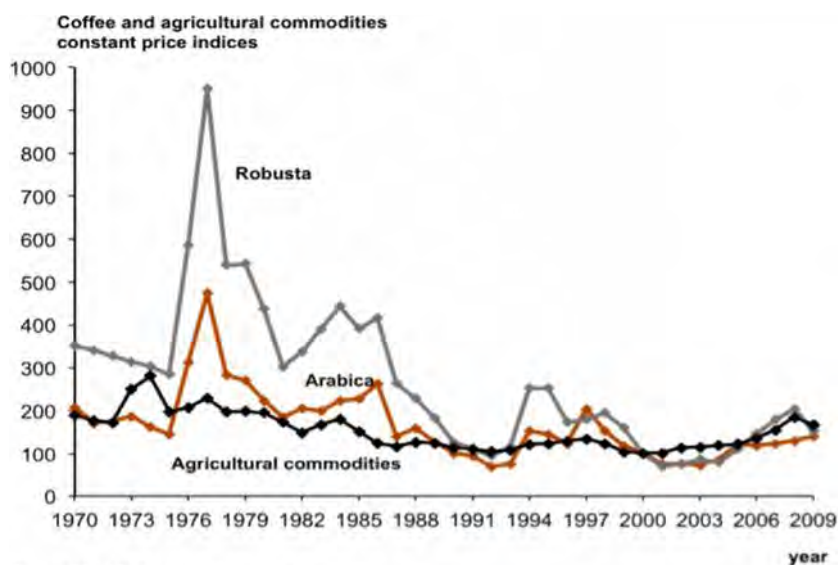
All data discussed in the following text refers to green coffee

### 2.1 Coffee prices

The evolution of coffee and agricultural commodities price indexes since 1970 is represented on the graph below.<sup>24</sup>

<sup>24</sup> Since the price indices are references compared to the price level of 2000, the price index of Robusta coffee appears mostly higher than the one of Arabica. Robusta prices have in fact always been lower than Arabica but given the fact that the year 2000 price of Robusta was especially low, the price index of Robusta seems proportionally higher during other years.

**Graph 21: Evolution of coffee and agricultural commodities world price indices (year 2000 = 100)**



Source: World Bank commodity price data

*Source: World Bank, Commodity Price Data*

Coffee prices underwent a surge between 1975 and 1977. Since then, coffee prices progressively dropped until 2002 following five to seven year cycles of sharp spikes followed by slower decreases. The prices then increased between 2002 and 2008 before plummeting again in 2009. In 2010 however, Arabica prices rose by 35 percent, while Robusta prices did by 6 percent (the index rose from 138 to 188 for Arabica and from 150 to 159 for Robusta).

The evolution of prices is characterized by a high volatility and a progressive downfall. This trend is quite parallel to the one of agricultural commodities but with higher price spikes and a sharper downfall. During the 2000 to 2005 period, the coffee price index has been below the agricultural commodities price index while it has been above it the rest of the time.

The fundamentals of the coffee cycle are explained by frost or drought events occurring periodically (mostly in Brazil, the major coffee producer), limiting supply and driving prices up. Supply answers to prices with a certain delay reflecting the time required from planting to harvesting<sup>25</sup>.

<sup>25</sup> Delille N., Relations between coffee world market price and retail price in Belgium, 2008 <http://purl.umn.edu/43839> online July 14 2010

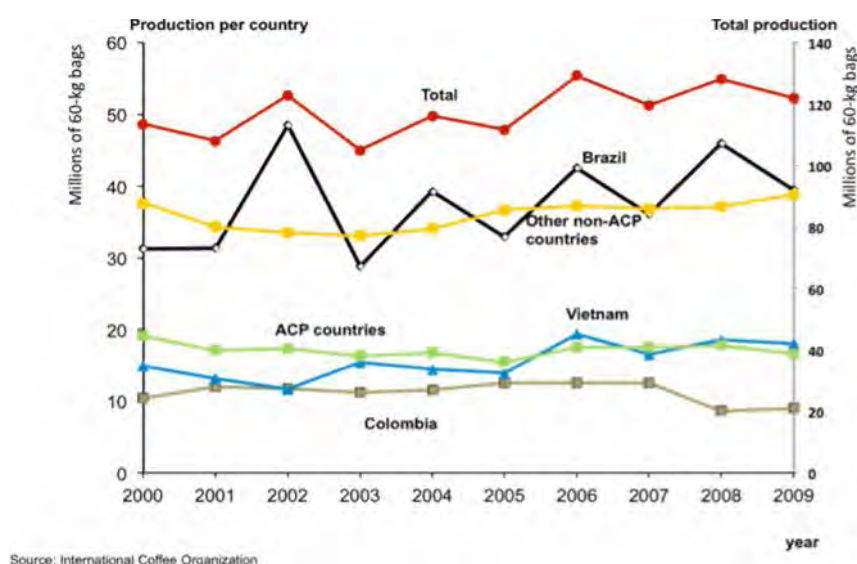


## 2.2 Evolution of coffee production<sup>26</sup>

Coffee is produced by 20-25 million families (mostly in smallholder farms) in over 50 developing countries. Brazil has constantly remained the main coffee producer. Vietnam's important growth of coffee production in the 1990s has placed it as the world's second largest producer, in front of Colombia. ACP countries have seen their share in world exports halved in the past 20 years (today they represent less than 15 percent), partly because of the rise of production in countries like Vietnam and Indonesia. Major ACP producers are Ethiopia, Uganda, Côte d'Ivoire, Papua New Guinea, Kenya, Cameroon, Tanzania and Madagascar.

The evolution of coffee production over the 2000-2009 period is represented on the next graph.

**Graph 22: Evolution of coffee production over 2000-2009 in millions of 60-kg bags**



*Source: International Coffee Organization*

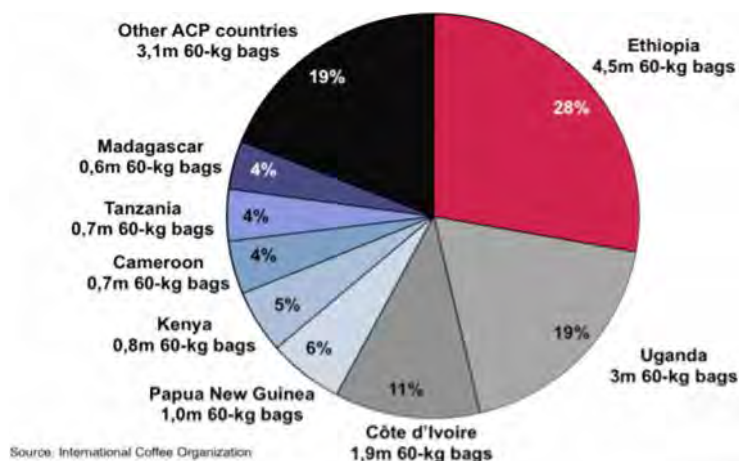
The global level of coffee production has slightly increased over the past decade. The rise in production is mainly due to non-ACP countries as ACP annual production has stagnated between 15 and 19 million bags. Variability in global production has mainly been due to fluctuations in the Brazilian production.

The contribution of the ACP countries to the global coffee production in 2009 was 14 %.

Among ACP countries, the main producers are represented on the following graph.

<sup>26</sup> Lewin B., Giovannucci D., Varangis P., Coffee markets: new paradigms in global supply and demand. Agriculture and rural development discussion paper 3. World Bank

**Graph 23: Shares of coffee production among ACP countries in 2008**



*Source: International Coffee Organization*

Except for Papua New Guinea, all major ACP coffee producers are in Africa. Ethiopia, Uganda and Côte d'Ivoire are the major producers contributing to more than half of ACP production.

Compared to Africa, Latin America is characterized by relatively larger farms, employing larger amounts of nonfamily labour. Coffee production in Asia is mostly a smallholder farming activity although state-owned companies and smallholder farms coexist in Vietnam.

Coffee production is originally located in the shade of forest trees with very little inputs. Emergence of monocropping in sunlight in the 1970s has increased yields but equally the amount of inputs used for production. Although most coffee production is now in sunlight, the rise of organic and sustainable coffee has been accompanied by a return to forest cropping.

As is shown in the following table, coffee yields vary significantly throughout the years.

**Table 18: Evolution of coffee yields in kg/ha (Source: Adapted from FAOStat database)**

Years	Ethio- pia	Papua New Guinea	Tanza- nia	Ugan- da	Brazil	Colom bia	Viet- nam
<b>1970-1979</b>	332	1167	500	708	534	609	533
<b>1980-1989</b>	506	1298	468	656	588	731	842
<b>1990-1999</b>	824	1074	387	696	614	868	1788
<b>2000-2008</b>	796	997	404	675	988	926	1739

*Source: Adapted from FAOStat database*

The highest yields are reached in Vietnam, where they have been increasing from less than 500 kg/ha in 1970 to 2 tonnes/ha in 2008. Most major coffee producing countries reach yields close to 1 tonne/ha. Yields have declined or stagnated in most ACP countries in the

2000s<sup>27</sup>. Studies hold price decline and variations responsible for removing incentives to invest in renewing coffee production material.

### 2.3 Evolution of coffee markets<sup>28</sup>

Coffee production used to be regulated by International Coffee Agreements (ICAs), meant to stabilize the markets. Quotas were imposed to each exporting country. These quotas were tightened if the prices dropped below a certain price band and were relaxed if they rose beyond it. State institutions controlled exports in Latin America and Africa.

Mainly for political reasons, the ICA regime failed to be renewed in 1989. With the end of the regime, public agencies progressively lost their influence on the world markets and have disappeared. Stocks were gradually transferred from harbours of the producing countries to private trading companies, located in harbours of consuming countries. The international prices underwent an important drop in the beginning of the 1990s partly due to oversupply.

The Association of Coffee Producer Countries (ACPC) was established in 1993 to develop a new export scheme and limit the price drop. The ACPC didn't however dispose of enough power to influence the markets.

The increased volatility that has occurred since the 1990s has been mainly attributed to the ending of the ICA's price stabilization mechanisms and the increasing use of futures markets. These markets, supposed to hedge volatility, can increase price fluctuations when they are used for speculation. In these cases the volatility affects those who don't have access to hedging instruments. Nevertheless, studies have shown that the liberalizations of the 1990s (suppression of public marketing institutions and reduction of export taxes) have increased the producer's share of the coffee export price<sup>29</sup>.

The amount of coffee traders on the world markets has been reducing since the end of the 1990s. Merging, bankruptcy and taking over of smaller traders have led to a high concentration of traders and roasters (with a higher concentration of the latter). However vertical integration (merging of traders and roasters) has been quite limited. Roasters now prefer coffee exporters capable of guaranteeing a constant minimal supply. This preference is progressively leading to a marginalization of smaller exporters.

The evolution of coffee imports is represented on the next graph.

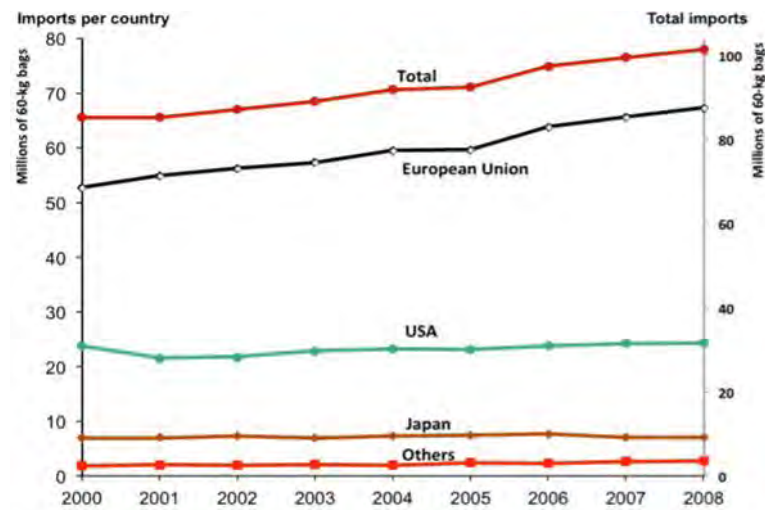
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<sup>27</sup> FAOStat Database: <http://faostat.fao.org/site/567/DesktopDefault.aspx?PageID=567#ancor> online July 15 2010

<sup>28</sup> Daviron B., Porte S., *The Coffee Paradox : global markets, commodity trade and elusive promise of development*. Zed Books, London.

<sup>29</sup> Scholer M., *Bitter or Better Future for Coffee Producers?*, ITC, [http://www.intracen.org/mds/coffee\\_profile\\_eng.pdf](http://www.intracen.org/mds/coffee_profile_eng.pdf) online July 15 2010. No figures were available.

**Graph 24: Evolution of coffee imports over 2000-2009**



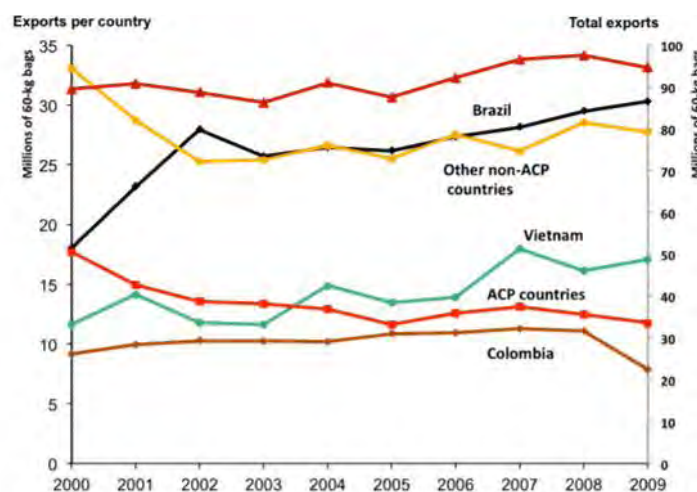
Source: International Coffee Organization

*Source: International Coffee Organization*

The increase in total coffee imports is exclusively due to an increase in European imports. Reaching 67.3 million 60-kg bags of coffee in 2008, the European Union is the world's largest coffee importer. European imports amounted in 2008 to 57 percent of all coffee imports.

The evolution of coffee exports is represented on the following graph.

**Graph 25: Evolution of coffee exports over 2000-2009**



Source: International Coffee Organization

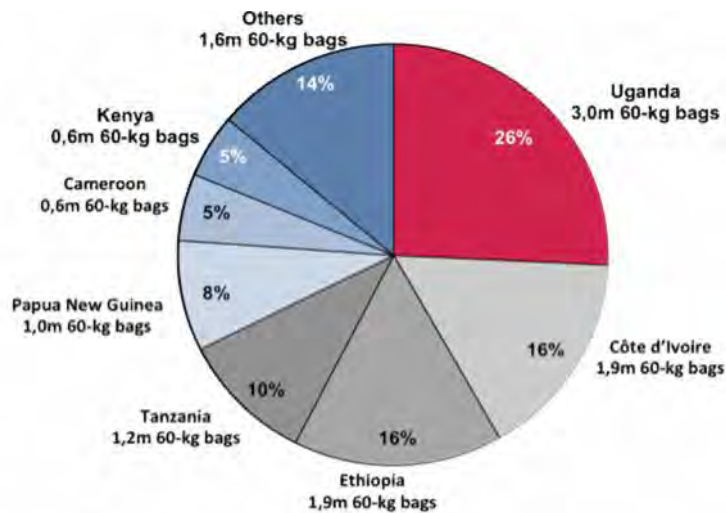
*Source: International Coffee Organization*

The total amount of coffee exports has slightly increased during the 2000-2009 period. This increase is mainly due to a rise in exports from Brazil, Vietnam and other non-ACP countries. The amount of exports from ACP countries has declined progressively during

the first half of the decade to finally stabilize around between 11 and 13 million 60-kg bags per year. ACP exports represented 12 percent of global exports in 2009. Half of the world exports were due to Brazil and Vietnam (respectively 32 and 18 percent of total exports).

The next graph represents the shares of main ACP coffee exporters in 2009.

**Graph 26: Shares of main ACP coffee exporters in 2009**

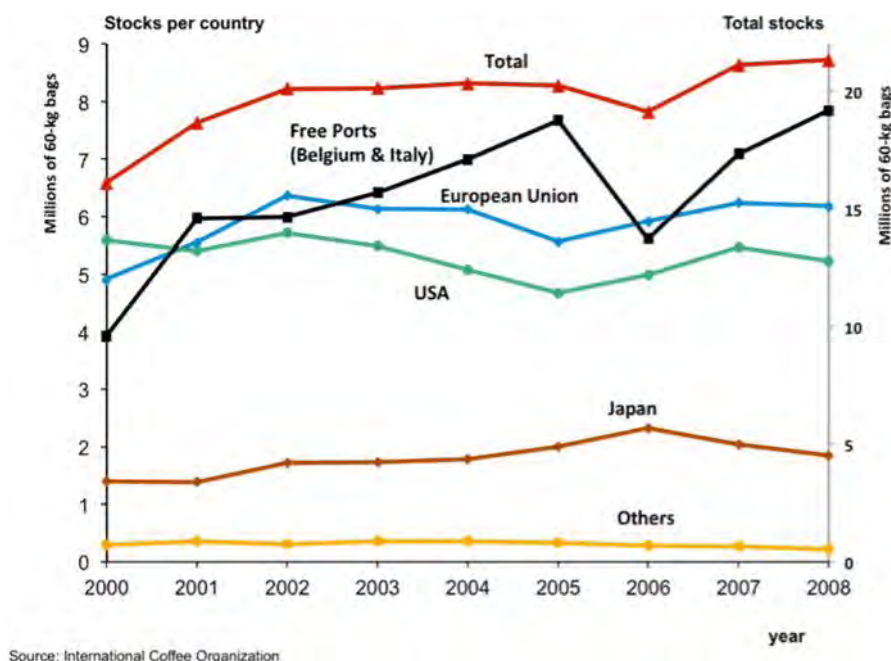


Source: International Coffee Organization

*Source: International Coffee Organization*

The evolution of global coffee stocks over 2000-2009 is represented on the next graph.

**Graph 27: Evolution of global coffee stocks over 2000-2009**



*Source: International Coffee Organization*

The level of global coffee stocks has fluctuated between 19.2 and 21.5 million bags between 2000 and 2009. The lowest levels were reached in 2000 and 2005. The largest stocks are located in the free ports of Belgium and Italy. In 2008, the coffee stocks located elsewhere in the European Union amount for 29 percent of the coffee worldwide.<sup>30</sup>

The global coffee consumption has slightly increased between 2000 and 2008 from 64.9 to 70.4 million bags. The European Union is by far the largest consumer of coffee in the world.

## 2.4 Marketing schemes within visited countries

Marketing structures in the visited countries differed but were generally characterized by a significant number of coffee middlemen, giving rise to quality and farm gate prices issues.

In Tanzania, the Coffee Board plays a key role in the field of coffee marketing, particularly by dealing with market regulation. It is advisor to the government on the formulation of the coffee sector policy and related regulations. The Board supervises coffee trade and observes and monitors the value chain. The Board also delivers licences to traders and provides the platform to sell-buy coffee. The Board verifies if Tanzanian coffee respects quality standards and the checks the stocks prepared for trading on the

<sup>30</sup> There is no data concerning potential stocks in Brazil, the main producer and the 3rd consuming country in the world.

international market. The Board monitors price developments on the international markets. It also provides market information to producers through email and phone calls to allow them to decide to sell or not their production on the market.

In Uganda, the UCDA (Uganda Coffee Development Authority) has a more limited role in the coffee marketing. UCDA is a semi autonomous institution established by Act of Parliament. It is managed by a board of which 8 members out of 12 represent the private sector. The UCDA main tasks regard the promotion of Ugandan coffee on national and international markets and the collection of data on volumes and prices.

Some projects support the Ugandan farmers' organisations to get more involved in the marketing of their coffee production. They aim at empowering farmers, creating economic opportunities, enhancing farmers' ownership of the decision-making process and improving market access and farmers' participation in the value chain. Through these projects, farmer organisations which enhanced the capacity of the coffee sector to meet the market requirements in terms of quality and quantity were established at village, parish and national levels. Depot Committees (parish level) have been registered as Companies and carry out primary processing and deliver hulled green coffee directly to exporters in Kampala. Moreover, these Companies have access to marketing loans from financial institutions and a model for input finance is currently being tested.

In Ivory Coast, the coffee sector is highly privatised. The government levies an export tax on coffee to provide state revenue and the coffee and cocoa chains provide 30% of these revenues.

In Madagascar, the CNCC (Comité National de Commercialisation du Café) is poorly funded and its actions are thus limited. Moreover, the situation of the Malagasy coffee sector is extremely bad due to strong chain issues in terms of yields, quality, processing, marketing and prices.

## **2.5 Challenges identified in visited countries**

The challenges identified were not specific to coffee because dependence at farm level on export commodities, including coffee, was found to be limited. Farmers primarily aimed at ensuring their subsistence through the production of staple crops and export commodities were side crops, which provided additional cash income.

However beyond the farm level perspective, in coffee producing countries a lot of people in the whole value chain derived some of their livelihood from coffee. In order to develop the coffee sector, it thus appears necessary that all components of the coffee value chain and all actors directly or indirectly involved should be taken into account in order to ensure the sustainability of the actions. The activities should deal with the improvement of productivity and quality but also efficiency of the coffee value chain (improvement of coffee production and better overall farm management, improvement of quality, nursery implementation and organisational development). Nevertheless, the issues faced in visited countries vary according to several factors (political, historic, cultural, climatic...) and thus have various consequences on the coffee development.

### **3. Summary of the main findings arising from the desk and field analysis for the coffee**

#### **3.1 Importance in analysed countries**

Coffee was produced in five of the eight countries visited as well as in two countries reviewed on documentary basis: in Vanuatu production levels were not sufficient to allow for any exports. All other six countries were, sometimes strongly, dependent on coffee at macro-economic level in terms of contributions of the crop to exports value and foreign exchange earnings. In Ethiopia, coffee represented 90% of agricultural exports over 1998-2008; in Kenya it was only 16%, similar to Tanzania (18%) (UNCTAD statistics see EQ1). In Uganda, coffee constituted two-thirds of earnings from traditional export crops and contributed to about 20% of Uganda's total foreign currency earnings. In Ivory Coast, coffee and cocoa contributed for two thirds to agricultural exports and for about 50% to total exports whilst they also provided 30% of Government revenues through export taxes: the bulk was however due to cocoa (over the period 1998-2008 coffee represented only 4% of agricultural exports). Coffee represented less than 10 % of the Malagasy exports. (J.1.1).

Coffee was generally produced by smallholders' farmers (1.3 million in Uganda) and provides income to many people if considering the whole value chain (for instance, over 8 million people in the Ugandan coffee value chain derive some of their income from coffee). At farm level, dependence on coffee and other export commodities is limited: farmers primarily aim at ensuring their subsistence through the production of staple crops and export commodities are side crops, which provide additional cash income (J.1.1).

#### **3.2 Commission overall support**

Amongst the visited countries, the Commission supported the coffee sector, although with different degrees of involvement, in Madagascar, Uganda, Vanuatu, Tanzania, Cameroon and Ivory Coast. Commission interventions however didn't systematically tackle the constraints due to coffee price decline and variability. In Ivory Coast in 2001 and 2002 Stabex funds were used to subsidise coffee prices; in other countries support was more indirect. In Uganda, Madagascar and Cameroon, Stabex funded interventions in the coffee sector adopted a value chain approach and thus aimed to contribute indirectly to tackling the price constraints. In Tanzania, the approach was more piecemeal with support to the development of a sector strategy and the support to coffee research (J.1.3 and J.1.4). The details of the Commission support are presented hereafter.

#### **3.3 Commission support to strategies**

Views on the development of the coffee sector differed among analysed countries (J.2.1). For instance, the agricultural development strategy in Madagascar is focussed on the staple crops and the exports crops are not the priority of the Malagasy government. The Commission supported the strategies design in Cameroon, Tanzania and Uganda. The Commission promoted the participation of stakeholders, including representatives of producer/ farmer organisations, in the strategy design process and their effective



involvement in the dialogue (Uganda and Madagascar) but in some cases, the coffee industry is poorly structured as in Madagascar thus threatening the sustainability of the actions.

- In Cameroon, the Commission supported the development of a 2010-2015 strategy for the coffee sector (targeted on competitiveness) within the AAACP programme.
- In Tanzania, the Commission has had a strong and very close policy dialogue with the Government notably regarding the coffee sector but the recently approved national strategy in the agricultural sector leaves out cash crops.
- In Uganda, the Ministry of Agriculture had developed commodities specific strategies notably for coffee, which have however not been consistently implemented nor have been updated. However, designing commodities sub-programmes as a complement to the new national agricultural development strategy (DSIP) is currently on the agenda of the policy dialogue between the Government and donors.

### 3.4 Commission support to competitiveness

In visited countries, the Commission has supported the improvement of coffee production and processing through several ways with generally the view to enhance the competitiveness of the whole coffee value chain. However, the support of the Commission is very different among the visited and concerned countries (**Table X**): specific support to issues directly related to the coffee sector (research...), support to transversal issues (infrastructures...) or support to the whole coffee value chain (from production to export).

**Table 19: Commission support to the coffee sector in visited countries and in Ethiopia**

Country	Support					
	Research	Extension services	Collection / processing	Infrastructures	Market organisation / information	Producers organisations
Tanzania	X	X		X		
Cameroon	X	X	X	X	X	X
Uganda	X	X	X			X
Madagascar		X	X		X	X
Ivory Coast	X					
Vanuatu			X			
Ethiopia	X	X	X		X	

Source: ADE

In terms of results, the limited size of the projects did not allow for an impact at the national level. For instance, a coffee project supported by the Commission in Uganda involved only 35,000 coffee farmers out of 1.3 million in the country. Likewise, it was noted that the programmes implemented in Cameroon in the recent years were very small

and would not have any significant influence at country level. Moreover, international price variations remain the most important factor that influences the incomes of producers, sector and countries as well as the sustainability of the interventions that also depend of internal factors and remain a major concern.

The support of the Commission, as well as the main achievements, are presented and detailed hereafter.

- In Tanzania, the Commission supported research and infrastructure but also provided capacity building. As a result, interventions supported by the Commission have allowed increasing coffee production and reducing production as well as processing costs. Interesting results have thus been obtained even if they are rarely sustainable. The support to a research centre, the TACRI, with infrastructure, equipment, development of varieties resistant to diseases, trained smallholders has led to new improved varieties delivering 30-50% cost savings and gross margins improved by up to 264%. However there still are huge challenges for smallholders in terms of access to seedlings and fertilizers, extension services, quality of the products due to poor quality processing and marketing.
- In Uganda, the Commission support targeted the competitiveness of the whole coffee value chain from producers (higher yields, higher productivity, improved quality) to exporters (economies of scale in the coffee commercialization process) but also contributed to the enhancement of research (development of Coffee Wilt Disease resilient varieties) and extension as well as the link between them. For instance, among the main and positive achievements of the Kaweri Coffee Farmers Alliance Support Project supported by Stabex, farmer organisations have implemented a quality control system and yields increased in the average farmers' production from about 600 Kg green coffee per ha to about 1.3 T/ha (average production on demo plots has reached about 2.7 T/ha). Farmers participating in this project enjoyed a large increase of their cash income (multiplied by 2.9 and potentially by 6) thanks to these higher yields, better quality and higher selling prices.
- In Ivory Coast, the coffee is not the Commission's priority because the private sector is well involved in this sector. The Commission only supported the Government to control the risk of OTA contamination of the coffee exports given the importance of this issue. Indeed, it was noted that the OTA could cost up to 200 billion of FCFA in lost exports and presumably this cost was avoided with the Commission supported project. However, the continuous and progressive impoverishment of the producers in Ivory Coast due to several factors (old trees, unfair value sharing, and bad extension services) was highlighted.
- In Madagascar, the projects supported by the Commission had several objectives: improvement of the farmers' income through higher yields and increased cultivated area, quality enhancement and a better marketing process (municipal markets organisation). Sustainability of the projects, notably in the coffee sector where the focus is on quality, is however very limited.

- In Cameroon, the Commission supported, through a value chain approach, extension services, research, collection and processing, infrastructure, market information and producers' organisation while the development of a government strategy was supported through the AAACP programme. However, it isn't possible to measure the effects on the country.
- In Vanuatu, the Commission has supported the processing of agricultural commodities including coffee through the POPACA/POP2 project. However, the results and the sustainability are very limited because of the top-down approach of the project, the limited involvement of the farmers, the support to too many value chains at the same time and the weak absorption capacities of the government.
- In Ethiopia, the Commission has supported through the Coffee Improvement Programmes the extension services, research, collection and processing, as well as market information. The International coffee buyer's confidence in Ethiopia coffee has been maintained in all other respects: from 126,000 tons (\$70 million in value) in 2002-2003, the Ethiopian coffee exports raised to some 171,000 tons (\$425 million in value) in 2006-2007.

The details regarding the support by themes are presented hereafter.

### 3.4.1 *Research*

The Commission supported coffee research in five of the seven visited countries where the Commission supported the coffee sector.

- In Tanzania, the Commission used Stabex funds to finance the facilities for 4 research substations of TACRI<sup>31</sup> (one not yet completed due to problems with contractors) and TA to prepare its 2003-2008 Strategic Action Plan (tackling diseases, productivity, quality and good agricultural practices to grow coffee plants). The 2008 evaluation of the Strategic Plan highlighted positive results including approval of developed coffee varieties. The remaining challenges concerned technology transfer (dissemination of the resistant varieties and seedling) to producers, including smallholders and multiplication of coffee seedling in nurseries.
- In Ivory Coast, the Commission supported the Government to control the risk of OTA contamination of the coffee (and cocoa) exports with a prevention strategy, prevention and research programmes, implementation of a reference and certified laboratory with technical assistance and extension services. According to the Stabex Evaluation, the resources mobilised to ensure the success of these projects were sufficient.

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<sup>31</sup> The Tanzania Coffee Research Institute (TACRI) was founded in September 2001, working as a public-private partnership with involvement of the Government, growers, traders, processors, Coffee Board and exporters to face the issues of coffee berry disease (CBD), Coffee leaf rust (CLR) and coffee wilt disease (CWD).

- In Uganda Commission support to coffee research was fundamental from 2001 to 2006 for the establishment of the etiology and the epidemiology of Coffee Wilt Disease (CWD) and to generate over 1500 CWD Robusta resistant clones that continue to be used as a selection pool.
- In Ethiopia, the Coffee Improvement Programme (CIP) IV (successor to a series of supports in coffee research since 1976) aimed for an improved use of coffee research results and that the latter would be practically transferred for appropriate use by farmers. The research has five sub-components: coffee quality, landrace development, collection of genetic resources, coffee by-product utilisation and statistical assessment of field results. There is also a sub-component for the forest coffee research in the activity “conservation”.
- In Cameroon, support to coffee research was only just starting (the FA was signed in 2011) with a seed multiplication project within the PAPA programme (Programme d’Amélioration de la Productivité Agricole).

In the four countries where support to research programmes had been running for several years, their impacts were not measured in terms of additional yields, production or exports obtained. As a result, the impact of these Commission supports could not be measured. Instead it was noted in Tanzania that producers were willing at the end of the project to reverse part of the producer price to TACRI for the funding of its activities thus illustrating the benefits of the project to the producers; in Ivory Coast, it was noted that the OTA could cost up to 200 billion of FCFA in lost exports and presumably this cost was avoided with the Commission supported project; in Uganda no information on benefits/costs were collected but sustainability of the research programme was illustrated by the fact that after Commission support on-farm trials and mother gardens of CWD resistant clones had been established and seven CWD resistant clones were partially released (high yields and adequacy to consumer preferences); in Ethiopia it was noted that 60% of the small farmers’ total coffee harvest was wasted or non-marketable because of parasites and/or diseases so supporting research in this area could potentially yield important gains in productivity. However, in none of the four cases reviewed was any firm evidence found that supporting research had contributed to improve overall (average) yields, production and/or exports of coffee.

### 3.4.2 *Extension services*

Extension services have been supported by the Commission in five visited countries with mixed degree of achievement. This support appears to be crucial to ensure the sustainability of other actions as well as the dissemination of good practices and results obtained in the framework of other supported interventions like support to research.

- In Tanzania, the TACRI, supported by EC, has devoted a part of its activities to train extension services from TACRI and from the Government (at district level) on agricultural techniques in the coffee sector. For instance, in the District of Moshi, there are 27 officers who work with coffee cooperatives and coffee producers. Extension services also assist producers in managing nurseries. However, huge challenges remain

in the Tanzanian coffee sector, especially for smallholders and as regards the training of extension services attached to TACRI, as well as for the support to TACRI activities in the future.

- In Uganda, in order to train and encourage the farmers to employ better coffee husbandry practices, an efficient extension system has been put in place by the Kaweri Coffee Farmers' Alliance Support project. Project Field Officers, DC Extensionists and Lead Farmers at PO level created the link through which training would reach the farmers and information would flow in both directions. A number of good agricultural practices were promoted and the project also supported the establishment of six farmer-owned/operated coffee nurseries and associated mother gardens with the result that the chronic shortage of good planting material which had been a feature of the districts is now history.
- In Madagascar, the extension services were implemented according two different ways. The first one was in the framework of Stabex supported projects, like the AFAKA project. The system was a "Farmer to Farmer" involving leaders among farmers that have sufficient technical knowledge. The second system, the FRDA and the CSA, EDF-funded under "budget support", set up extensions services in each region to respond to the farmers' demand. However, the results are very limited and the sustainability of these structures is not ensured and threatened by the suspension of the EC aid due to the current political crisis.
- In Ethiopia, the main expectation regarding the Coffee Improvement Programme (CIP) IV was an improved use of coffee research results and that the latter would be practically transferred for appropriate use by farmers. Indeed, the main sustainability issues under the Project include the strengthening of the extension services. Under the "Extension component", the initial objective had been fulfilled. Besides training the coffee extension service was made more effective thanks to the provision of vehicles, motorcycles, bicycles and pruning tools.
- In Cameroon, the Mungo-Nkam rural development programme financed nurseries (70,000 seedlings given to 10 producer organisations) and the PACICC (Programme d'Appui au Conseil Interprofessionnel Café-Cacao) had a component to provide coffee farmers with small materials.

### 3.4.3 *Collection, processing and quality*

The quality is an important component of the coffee sector development. Indeed, the farm-gate and export prices depend strongly on the quality. All visited countries, with the exception of Ivory Coast, have implemented activities directly related to coffee quality improvement. The quality is based on several elements: the use of appropriate varieties (of which varieties resistant to diseases and traditional varieties), the implementation of good agricultural practices, the way the coffee is harvested, the post-harvest operations (primary processing and curing), etc.

The activities supported and related to the collection and processing are generally linked to quality improvement. Indeed, as explained above, the harvest and the post-harvest operations are determinants of the coffee quality. Among the six countries that have implemented activities regarding quality improvement, only Tanzania has focused on the use of adequate varieties and had not activities related to the coffee processing.

- In Tanzania, the Commission has supported TACRI which has developed new coffee varieties that helped to improve the quality of the final product. Moreover, through the All ACP programme a regional project led by CFC and just started in Tanzania in January 2011 is implemented to improve the quality of products and reach quality standards with certification. This programme is devoted to provide training in quality schemes. Note that these last ten years the quality of the Tanzanian Coffee has increased.
- In Cameroon, under the All ACP Programme, the World Bank has supported the production/ processing of coffee introducing the fully-washed process in the coffee industry through the piloting of the compact eco-pulping technology. The results are currently mitigated due to several factors related to the launch of the project but it augurs well for the next seasons.
- In Uganda, a significant amount of effort was also devoted by the Kaweri Coffee Farmers' Alliance Support project to working with the farmers to improve the quality of their coffee, including the use of tarpaulins for coffee drying and hand-hullers at each DC. An improvement in the quality of the FAQ (Fair Average Quality) has been reported throughout the project area, with traders willing to pay a premium for "Kaweri".
- In Ethiopia, along with intensive training and procurement of pruning tools, the procurement of equipment and materials needed for the diffusion of improved post harvest processing techniques (semi-washing, drying) to 15,000 farmers was budgeted under two successive Programme Estimates. However, the delivery of the different materials and equipment could not be executed in time.
- In Madagascar, projects supported by the Commission included a quality component (training, awareness and small materials notably regarding the coffee drying) but the results of these projects as well as their sustainability are generally very limited.
- In Vanuatu, the Commission has supported the processing of agricultural commodities through the POPACA/POP2 project. The improvement of coffee drying with appropriate materials was one of the components. However, the results and the sustainability are very limited because of the top-down approach of the project, the limited involvement of the farmers, the support to too many value chains at the same time and the absorption capacities of the government.

### 3.3.4 *Infrastructures*

The establishment or the rehabilitation of “feeder” or rural roads to open up agricultural areas and facilitate market access is a critical point in the development of export commodities including coffee. Only two visited countries, Tanzania and Cameroon, have integrated this component in the framework of the coffee sector support.

- In Tanzania, out of a total of €46 million provided under FMO 1994-99 for Coffee, €11.3 million concerned the rehabilitation of priority rural roads in coffee producing areas. However, no ex post information is available on the increase of traded agricultural products and on the income of farmers due to the building of the roads.
- In Cameroon, the EU support has also been directed to infrastructure, including roads. However these roads were transnational ones, rather than feeder roads which would be more directly aimed at improving market access for farmers. Furthermore, stakeholders stressed the urgent need for improvement of infrastructures in order to make the coffee sector more competitive although roads have received significant funds in the past through Stabex.

### 3.4.5 *Market information and organisation*

Market information and organisation are activities that were implemented in three visited countries. These activities seem to be important when the coffee market is poorly structured. For instance, the Commission did not support Tanzania Coffee Board although this Board plays a key role in the field of coffee quality and marketing. In fact, the Board carries out different activities: dealing with market regulation, promoting the production and promoting the coffee quality.

- In Cameroon, the PACICC programme had an activity on improving market information, by providing information to producers on the daily market prices of products and inputs through cellular phone communication.
- In Madagascar, Stabex resources have funded a programme of market organisation (municipal markets) that involved the municipal and district authorities, collectors and farmers. However, with few exceptions, the results and the sustainability are very limited.
- In Ethiopia, three marketing functions had been supported by the CIP Project including the provision of computers and software for statistical work on coffee markets and coffee sales. Following the Mid-Term Review, the marketing subcommittee identified major activities, of which domestic market improvement, which included training on domestic marketing system.

### 3.4.6 *Producers organisations*

The organisational development of coffee farmers is an issue to ensure the sustainability of the projects. Indeed, the activities of a project can outlast its termination if farmers can support project outcomes themselves. The organisation of coffee farmers to carry out activities such as marketing is crucial to enter into an export market (economies of scale, market requirements...). Nevertheless, the creation of farmers' organisation generally requires a long-term involvement to achieve sustainability.

- In Cameroon, the PACCIC programme which benefitted from EU funding allowed the grouping of all coffee and cocoa producers (estimated to be 600 000) into one single organisation.
- In Uganda, through the Coffee Farmers Alliance support project, the Commission supported with Stabex funds farmer organisations which enhanced the capacity of the coffee sector to meet the market requirements in terms of quality and quantity. These organisations were established at village, parish and national levels. Indeed, 24 Depot Committees (parish level) have been registered as Companies and carry out primary processing and deliver hulled green coffee directly to exporters in Kampala.
- In Madagascar, the Commission tried to support the creation of farmers' organisations but the sustainability of these organisations is only ensured during the project lifetime and the results are thus limited.

At the opposite, in Tanzania, there is no evidence that the EC support has contributed to increase the number of producers' organisations because the majority of producers are already organised in cooperatives. Indeed, a minimum volume/ quantity is required to sell the coffee through the Moshi's auction and that is why producers are organised in cooperatives.

## 3.5 **Commission support to risk management**

In visited countries, there were few occurrences of Commission support to coffee risk management except under the AAACP programmes that has supported activities like a study on the Cameroon coffee supply chain risk management and provided training and education on Agricultural Risk Management in ACP countries through the World Bank with the Eastern African Fine Coffee Association (EAFCA).

One may mention the warehouses system implemented in Uganda (but coffee was not directly concerned), which provided farmers with storage facilities to maintain the quality of the products, to sort them according to quality standards, to make packaging, etc. in order to improve transparency and efficiency, or the studies carried out and daily information system developed in Cameroon. Moreover, in this last country, a study entitled "Cameroon coffee supply chain risk management with main risks identification and the way to address these risks" has been conducted in the framework of the AAACP programme (J.5.1).



Regarding credit, the only evidence found concerned the Depot Committees Companies (farmers' organisations at parish level) in Uganda, which provided access to marketing loans from financial institutions while a model for input finance was being tested (mid 2011). (J.5.1).

Risk management has not been seriously addressed and the impacts of Commission interventions on income variability and vulnerability have been limited. However the Commission support to the coffee sector has contributed to diversifying and improving the sources of farmers' income that mainly relied on staple crops (J.5.3). Indeed, the cash income of the farmers involved in the Coffee Farmers Alliance support project in Uganda remained dependent on coffee price fluctuations, but increased to the point where they were able to invest in their farm (seedlings, fertilisers, etc.) and make some savings. In Cameroon, a programme (PACICC) provided daily information to producers on the effective coffee prices that allow producers to better negotiate their sales prices.

### **3.6 Commission support to diversification**

As mentioned above (J.1.1), dependence on export commodities at farm level is limited: farmers primarily aimed at ensuring their subsistence through the production of staple crops and export commodities are side crops, which provide additional cash income. The Commission support to coffee has contributed to diversifying and improving the sources of farmers' income that mainly relied on staple crops (J.6.2) like in Uganda through the improvement of the productivity, yields and competitiveness of coffee production. Their vulnerability was thus reduced (J.6.4). In Uganda also, much of the Stabex monies generated by losses in the coffee sector were used for diversification projects. In Cameroon and in Ivory Coast nothing was done by the Commission for diversification from the coffee; projects rather aimed at developing the sector (J.6.2).

### **3.7 Cross-cutting issues in Commission support**

The Commission's support to the coffee sector has not systematically taken into account transversal policies such as gender, environment and corporate responsibilities. Indeed, the only evidence found in visiting countries regarded the coffee sector in Uganda and in Ethiopia.

- In Uganda, gender and climate change were given increased attention in the implementation of the Coffee Farmers Alliance support project (J.7.3). Indeed, according to some studies, the climate change is major threat on coffee production in Uganda and farmers shall have to invest in irrigation systems.
- In Ethiopia, two cross-cutting issues were taken into account in the CIP project. Indeed, gender review indicated the need for further study under the project in order to define the future role of women in coffee. Nevertheless, it must be noted that the survey of gender issues in coffee was cancelled. Earlier environmental reviews indicated the need for the provision of equipment and this has been included as a component of the project.

### 3.8 Different financing instruments in interventions

Stabex proved a very useful instrument to support the coffee sector and its complementarity with other instruments such as budget support through EDF was highlighted in Uganda and Madagascar.

- In Uganda, EDF was used to implement interventions and to support the government overall strategy (PMA) that has mainly a functional character while Stabex was used not only to implement projects related to specific commodity chains, in particular coffee, but also to identify and formulate interventions, support the design of policy documents, bridge the gap between two interventions, etc. These two instruments were clearly complementing each other. At the time of the field visit, the Delegation didn't have access to an instrument replacing the Stabex funds (J.8.1, J.8.2 and J.8.3).
- In the Malagasy coffee areas, the Stabex interventions and EDF-funded "budget support" to FRDA (Fonds de Développement Régionaux Agricoles) and CSA (Centres de Services Agricoles), regional agricultural development structures, were complementing each other. These structures implemented to coordinate the support to the agricultural sector involve several donors, the Malagasy government, farmers and extension providers and are based on a demand-approach in order to face the farmers' issues. However, this complementarity was only observed at the local level (in the field) and not at the national one (no strategy) while the coordination between Stabex projects in the field was weak. The Commission Delegation in Madagascar believed that it would be best to have access to Stabex, Budget lines and FED in to order to have this mix of complementary tools (J.8.2).

### 3.9 Alignment with the beneficiaries' needs, priorities and with the COMs

In countries visited the Commission support to the coffee sector has been designed as a response to the sector needs and issues although their identification was sometimes not easy and generally suffered from the lack of statistics as was the case in Uganda (J.9.1).

- Indeed, the PMA in Uganda was considered by the Commission and other donors as a well designed, although over-ambitious strategy for the development of the agricultural sector. However, at commodity level, the lack of reliable statistical data is an impediment although some donors (e.g. USDA) carry out reviews of value chains and the coffee organisation (UCDA) is producing monthly reports on market developments.
- In Ethiopia, before the strategy design, an analysis of the coffee sector (production base, sources and areas of production, importance of coffee in the national economy and links with agriculture) was carried out in order to identify the target groups, beneficiaries, stakeholders and specific problems

The choice of interventions, for instance in Ethiopia and in Uganda to a lesser extent have been aligned with the policy objectives and priorities of the governments (J.9.2).

- In Ethiopia, there were many links between the coffee programme and the Government policies. The Project formulation was approved by the GoE, and because of the previous and continued joint participation of the GoE and the Commission.
- In Uganda, the Commission programmable aid devoted to agriculture has been aligned with the government PMA strategy. However, the Commission support to the coffee sector did not rely on a national strategy for the sector although coffee development was addressed by the PMA in the framework of the enterprise priorities defined at zonal level.

It was noted that the COM (2004) 89 had not been a reference document for the Delegations but Commission cooperation activities in the coffee sector did not contradict the COM objectives as was demonstrated in several visited countries.

- In Uganda, the activities of the Commission are in line with COM (2004) 89 objectives regarding the following elements:
  - Importance given to exports commodities
  - Improvement of productivity and quality as a response to the declining price trend in the coffee sector
  - Diversification of income sources of the farmers
  - Attempt to develop risk management instruments
  - Organisation of the coffee marketing chain in order to better respond to international market requirements
- In Cameroon, the coffee support has met some priorities of the COM: the recently implemented value chain approach, the improvement of the sector competitiveness, product quality and price transparency as well as the support to producers' organisations and organisational capacities.
- In Ethiopia and in Ivory Coast, the prime aim is to alleviate poverty in rural areas and to improve standards of living in the growing areas through the coffee sub-sector development programme.

#### **4. Overall assessment**

Most of the visited countries were dependent on coffee in terms of exports value and foreign earnings but the dependence at farm level on export commodities was more limited as coffee was generally produced by smallholders' farmers as one of the crops of the farming system.

The Commission support to the coffee sector has been designed as a response to the sector needs and issues although their identification during the strategy design was sometimes not easy and generally suffered from the lack of statistics. The Commission support was also aligned with the policy objectives and priorities of the governments. COM (2004) 89, it has not been a reference document for the Delegations but Commission support in the coffee sector did not contradict its objectives.

Coffee was strongly supported by Stabex funds that is viewed as a very useful instrument to support the coffee sector in visited countries whilst other budget lines and EDF also provided limited funding. Nevertheless, the complementarity with these other instruments was highlighted in Uganda and Madagascar.

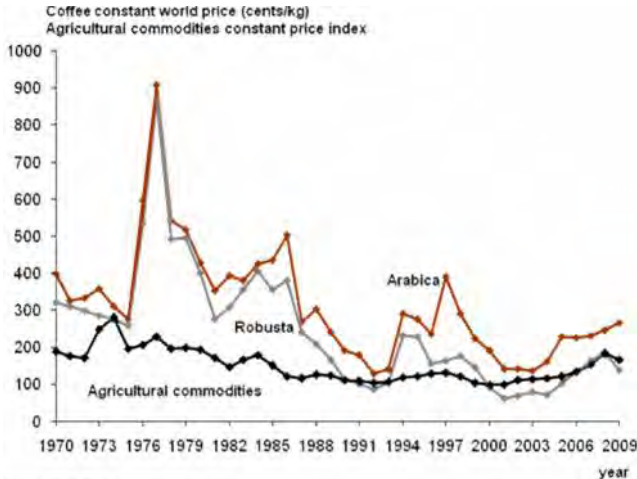
The Commission has supported the improvement of coffee production and processing through several ways with generally the view to enhance the competitiveness of the whole coffee value chain. The Commission support took different forms among the visited countries: specific support to issues directly related to the coffee sector, support to transversal issues or support to the whole coffee value chain. In Uganda, Madagascar and Cameroon, Stabex funded interventions in the coffee sector adopted a value chain approach. However, it was not the case in the other visited countries. In Tanzania the effort was focused on supporting coffee research but the support could have been more effective if important issues such as the training of farmers/extension and the dissemination of research results would have been tackled. In Ivory Coast the support to the coffee sector was not commensurate with the funds generated by Stabex from coffee export losses; these have been either used to support cotton or were frozen due to the general disorganisation of the sector and identified financial irregularities. Risk management, except under the AAACP programmes, and diversification were not considered as important issues at farm level and the Commission's support has not systematically taken into account transversal policies such as gender, environment and corporate responsibilities in the coffee sector development.

The results of analysed programmes were localised, with variable results depending on the beneficiary countries. Moreover, the limited size of the projects did not allow for an impact at the national level. Finally, international price variations (although the coffee prices is increasing since 2002) remain the most important factor that influences the incomes of producers, sector and countries as well as the sustainability of the interventions that also depend of internal factors and remain a major concern.

## Coffee - Data collection grid

### EQ1 on the contextual background to the Commission's Communication relative to agricultural commodities

In what ways has the Commission reacted to the long term agricultural commodities price decline and volatility when supporting Commodity Dependent Developing Countries?	
<b>J.1.1</b>	<b><i>Commodity dependence characterises a majority of ACP countries</i></b>
<b>UG</b>	<p>Agricultural commodities make 75% of total Ugandan exports (1995-2008 average). <u>Coffee</u>: over 8 million people (in the whole value chain) derive their livelihood directly from coffee. Coffee is mainly cultivated by smallholders (1.5 million). Coffee contributes about 20% of Uganda's foreign currency earnings and constitutes two-thirds of earnings from traditional export crops.</p> <p>However, at farm level, dependence on export commodities is limited. Farmers primarily aim at ensuring their subsistence through the production of staple crops. Export commodities are side crops, which provide an in cash additional income.</p>
<b>I.1.1.2</b>	The evolution of the degree of commodity dependence of ACPs over time (15 years)
<b>UG</b>	<p>Be careful with the criteria on commodities dependence. There is a lot of informal regional trade (rice, meat...) that doesn't appear in the official statistics. (Source: MN 301).</p> <p>Nevertheless, according to official statistics, agricultural commodities make 75% of total Ugandan exports (1995-2008 average). Over 8 million people (in the whole value chain) derive their livelihood directly from coffee. Coffee is mainly cultivated by smallholders (1.3 million). Coffee contributes about 20% of Uganda's foreign currency earnings and constitutes two-thirds of earnings from traditional export crops.</p> <p>However, at farm level, dependence on export commodities is limited. Farmers primarily aim at ensuring their subsistence through the production of staple crops. Export commodities are side crops, which provide a cash additional income (Source: MN 313).</p>
<b>VU</b>	<p>L'économie du Vanuatu est principalement orientée sur le tourisme. Au Vanuatu, 80% de l'agriculture est une agriculture de subsistance. Au temps des colonies, les Français et les Anglais ont développé les cultures de rente. A leur départ, ils ont passé le flambeau au Gouvernement et les différentes filières ont périclité. Aujourd'hui, l'agriculture de rente est peu développée. Le café était à l'époque une filière prospère : il est produit sur l'île de Tana (île au sud du Vanuatu). La filière a été mise sur pied du temps des colons. A leur départ, laissé au Gouvernement, elle a été délaissée. Un entrepreneur italien est arrivé il y a quelques années et a redonné vie aux plantations. Le café y est décortiqué et torréfié sur place. Les petits producteurs de café ne mettent pas en œuvre les techniques de production et de cueillette appropriées (règles de l'art), par conséquent la qualité est très variable d'une récolte à l'autre. Les quantités de café produites aujourd'hui sont trop faibles pour espérer exporter.</p> <p><i>Source: MN 1067</i></p>

<b>I.1.1.3</b>	Main agricultural commodities exported by ACPs (falling under the criterion of commodity dependence) over the last 10 years
<b>MG</b>	1985 : café : 22 M US\$; exportations totales : 291 M US\$ 2005: café : 79 M US\$; exportations totales : 996 M US\$ (Source :Madagascar “at a glance” : annexe 1 CSP 2008-2013)
<b>CI</b>	L'agriculture ivoirienne est fortement centrée sur les cultures d'exportation. C'est ainsi que la Cote d'Ivoire est le troisieme producteur mondial de café robusta. Les filières café-cacao fournissent, en valeur, les 2/3 du total des exportations agricoles, agroalimentaires et forestières, soit près de la moitié de l'ensemble des exportations ivoiriennes. De plus, elles contribuent a environ 30% des recettes de l'Etat sous la forme de taxes a l'exportation. (Source : CSP 2004-2007 p.17).
<b>J.1.2</b>	<b>Prices of agricultural commodities exported by ACPs have demonstrated a long-term declining trend and high volatility</b>
<b>MG</b>	Le prix du café, extrêmement bas au début des années 2000, a quadruplé entre 2003 et 2008
<b>UG</b>	Over the last ten years coffee prices have been very volatile. In the early 2000s, they were extremely low. They very much increased since then. Some experts forecast that they will remain at a high level because of growing domestic consumption in coffee exporting countries.
<b>I.1.2.1</b>	Overall price trend of agricultural commodities over the last 50 years
<b>TZ</b>	This year coffee price is around 3 to 4 USD/ kg. This price may be around 7 USD/ kg for very good quality products. <i>Source: MN 677</i>
<b>I.1.2.2</b>	Price trend of CDDCs main agricultural commodities over the last 50 years
<b>Overall</b>	 <p data-bbox="496 1778 1267 1854">Evolution of coffee world prices (in constant year 2000 US cents/kg) and of the agricultural commodities world constant price index (year 2000 = 100)</p> <p data-bbox="395 1921 1366 2040">Coffee prices underwent a surge between 1975 and 1977. Since then, coffee prices progressively dropped until 2002 following 5 to 7 year cycles of sharp spikes followed by slower decreases. The prices then increased between 2002 and 2008 before plummeting again in 2009.</p>

	<p>The evolution of prices is characterized by a high volatility and a progressive downfall. This trend is quite parallel to the one of agricultural commodities but with wider amplitude. During the 2000 to 2005 period, the coffee price index has been below the agricultural commodities price index while it has been above it the rest of the time.</p> <p><i>Source: Coffee Product Fiche (From World Bank Commodity Price Data)</i></p>
<b>I.1.2.3</b>	Product specific issues having affected individual products' prices over the last 10 years
<b>CI</b>	<p>Petite info : dans <b>les filières café/cacao et énergie, la progression des réformes structurelles a été limitée en raison de la crise</b>. Les redevances parafiscales sur le cacao ont été réduites de 3 FCF A par kilogramme (le tiers de la réduction envisagée) au cours de la campagne 2006/07 <b>pour relever les prix aux producteurs</b> (<i>Source : CSP 2008-2013 p.9</i>).</p> <p>En dépit de ces performances, la croissance de la Côte d'Ivoire est toutefois handicapée par une série de facteurs structurels, et notamment le poids des produits primaires, dont résulte une grande vulnérabilité aux <b>fluctuations des prix mondiaux du café et du cacao</b> (<i>Source : CSP 2004-2007 p.17</i>).</p>
<b>ET</b>	<p>This big dependence on agriculture makes Ethiopia extremely vulnerable to external shocks like a shortage of rainfall or declining commodity prices (coffee) on the international markets. (<i>Source : CSP 2002-2007 p.7</i>).</p> <p>The fundamentals of the coffee cycle are explained by frost or drought events occurring periodically (mostly in Brazil, the major coffee producer), limiting supply and driving prices up. Supply answers to prices with a certain delay, required between planting and harvesting.</p> <p><i>Source: Coffee product fiche</i></p> <p>In the Action Aid 2007 article, there is a case study of the effect of market concentration on coffee prices.</p> <p>Sources: <i>Action Aid, Commodity dependence and development, Suggestions to tackle the commodities problems, South Centre, April 2008.</i></p>
<b>J.1.3</b>	<b><i>The Commission has adapted its support to CDDCs to the constraints revealed by long term price decline and short term price volatility</i></b>
<b>MG</b>	<p>A travers les projets Stabex la Commission a apporté une aide importante au développement des produits agricoles d'exportation (café, vanille, litchis, girofle).</p> <p>L'appui de la Commission, initialement centré sur la production, s'est progressivement étendu à l'ensemble des filières, incluant la commercialisation.</p>
<b>UG</b>	<p>The EC supported the GoU agricultural strategy (PMA), which benefited among others crops to agricultural commodities, of which coffee.</p> <p>The EC support to PMA focussed on research and extension with a view of improving the competitiveness of the agricultural sector</p>
<b>I.1.3.1</b>	Evidence (reports, publications, internal notes) that the Commission has monitored agricultural commodities price and market developments and analysed their impact upon CDDCs

<b>MG</b>	Oui. La Délégation a produit différentes notes d'analyses (assez concises mais précises) avec focus sur offre et demande au niveau mondial, échanges et cours internationaux, production et exportations malgache + perspectives dont une sur la filière café en septembre 2008.
<b>UG</b>	No. At commodity level, the lack of reliable statistical data is an impediment to an identification of the country's needs, problems and issues. However some donors (e.g. USDA) carry out reviews of value chains and the coffee organisation (UCDA) is producing monthly reports (Source: MN 313).
<b>I.1.3.2</b>	Setting up by the Commission of specific instruments to tackle constraints identified in CDDCs (STABEX, FLEX, BAM, AMSP, ...)
<b>UG</b>	The EDF supported the government overall agricultural development strategy (PMA-plan for Modernization of Agriculture), that has mainly a functional character, while Stabex funds were mainly used to support specific commodity chains in particular coffee. Uganda didn't benefit from the banana and sugar support programmes which aimed at alleviating the impact on producing countries of changes in the EU policy concerning these products.
<b>I.1.3.4</b>	Launching by the Commission of specific projects to tackle the constraints faced by CDDCs due to price decline and variability
<b>CI</b>	Dans les filières café-cacao, les fonds STAB EX ont permis l'institutionnalisation du Fonds de Garantie des Coopératives Café-Cacao et de <b>soutenir des prix du café</b> en 2001 et 2002 (Source : CSP 2004-2007 p.63).
<b>MG</b>	<u>Réponse mixte</u> . Les projets STABEX ne sont pas spécifiquement et uniquement mis en œuvre en réponse au déclin et à la volatilité des prix mais ils contribuent par l'organisation de marché (constituant un des volets des projets) à renforcer la capacité des paysans à y faire face. En effet, depuis 2008, la Délégation a étendu ses appuis vers l'aval (commercialisation et transformation) afin d'améliorer la qualité dans une optique de diversification et de compétitivité (Source : MN 801). Les appuis sont donc plutôt centrés sur l'organisation du marché et la commercialisation. 11 projets ont été sélectionnés sur appel à propositions (café, vanille, girofle, poivre, cacao) avec en outre un <b>volet appui à la production</b> (CTHT, CNCC,...) et un <b>volet qualité</b> (formation, sensibilisation, petit matériel) mais également un <b>volet organisation des marchés au niveau des communes</b> (ce qui a le moins bien marché car ce volet est très complexe à mettre en œuvre étant donné le contexte institutionnel et la concurrence des acheteurs itinérants). (Source : MN 802).
<b>UG</b>	Yes through Stabex projects. For instance, the Kaweri Coffee Farmers Alliance Support Project, with activities regarding the improvement of productivity, quality and efficiency of the coffee value chain (improvement of coffee production and better overall farm management, improvement of quality, nursery implementation and organizational development), had an objective to improve the farmers' income. Indeed, through this new marketing opportunity farmers have achieved a 23% higher price for their coffee (net of processing and marketing costs). Nevertheless, the major risk for these farmers and the project sustainability remains the decline and the variability coffee prices although some experts forecast that they will remain at a high level because of growing domestic consumption in coffee exporting countries (Source: MN 308).
<b>I.1.3.5</b>	Elaboration of an agricultural commodities strategy to support CDDCs
<b>UG</b>	Yes but the strategy was elaborated by the Ugandan GoU. The EC supported the



	GoU agricultural strategy (PMA-plan for Modernization of Agriculture), which benefited among others crops to agricultural commodities, of which coffee. The EC support to PMA-plan for Modernization of Agriculture focussed on research and extension with a view of improving the competitiveness of the agricultural sector (Source: MN 301).
<b>J.1.4</b>	<b><i>The Commission has adapted its interventions supporting agricultural commodities to the constraints revealed by long term price decline and short term price volatility</i></b>
<b>UG</b>	Specific EC-funded projects, in particular the Coffee Farmers Alliance support project, targeted the coffee sector with a view of improving productivity, quality and the efficiency of the value chain.

## EQ2 on the Commission's support in terms of agricultural commodity strategy development

<b>To what extent has the Commission's support enabled the design of agricultural commodity strategies in commodity dependent ACP countries and regions?</b>	
<b>J.2.1</b>	<b><i>The Commission has promoted commodity chains and addressing dependence as a priority in national strategies</i></b>
<b>TZ</b>	<p>The Commission have had a strong and very close policy dialogue with the Government in terms of agriculture, especially in the sugar, tea and coffee sector, but also in trade. Before supporting agricultural commodities, initial sector analyses have been carried out in different sectors: sugar and coffee. It seems that this analysis was carried out for the tea sector, but due to no institutional memory this fact was not formally confirmed.</p> <p>While in the past agricultural policies – including cash crops – were left out from the attention of the Government and donors, they are again recognised as important at country level, but with a most strong attention to food crops. The Government adopted a SWAP approach. A national strategy in the agricultural sector (the ASDP), which was recently approved, leaves out more or less cash crops (sugar, tea, coffee and cotton) as they are in the hands of the private sector, even if the coffee and cotton sectors involve smallholders to a large extent. Sugar and tea are more in the hands of large estates.</p> <p>The value chain approach was however promoted in the latest agricultural strategy. This approach insists on the level of the production agricultural commodities, but also on the quality of commodities with a view to get higher prices.</p>
<b>I.2.1.1</b>	Evidence that the CDDC-EU policy dialogue has included the competitiveness or diversification of commodity sectors
<b>TZ</b>	<p>Studies for reforms of cash crop sectors: Revision of the strategy by an external consultant to improve the national strategy of coffee of Tanzania. Very close dialogue in the coffee (and the tea) sector.</p> <p><i>Source: MN 600</i></p>
<b>UG</b>	<p><u>Diversification : yes</u></p> <p>On the one hand, the Coffee Farmers Alliance support project, implemented in the Stabex framework, has contributed to diversifying <u>and improving the sources of farmers' income</u> that mainly relied on staple crops through the improvement of the productivity, yields and competitiveness of coffee production (Sources: MN 301 and 308).</p> <p>On the other hand, within the framework of the PMA (plan for Modernization of Agriculture) agro-ecological zones have been identified and <u>three crops selected in</u></p>

	<p><u>each zone as priority focus for research and extension:</u></p> <p>There is evidence that in the pilot regions NAADS (National Agricultural Advisory Services) extension services, one component of the GoU agricultural strategy (PMA) supported by the EC, led <u>farmers to grow new crops</u>. Indeed, ten years ago, the government has done many analyses of the agricultural development with a lot of criteria (30 criteria) regarding the access to new technologies, ecological conditions, expected rate of return on investments... The country was divided into zones and 12 commodities were chosen on the basis of these criteria. NAADS selected <u>3 priority commodities</u> in each zone among the 12 in order to prioritize the NARO (National Agricultural Research Organisation, another component of the PMA) researches. But this may have not taken place at national level after the roll-over of NAADS. (Source: MN 313).</p> <p>The EC recently took the decision to withdraw its support to NAADS because the GoU has undertaken to deeply change the nature of the extension service. NAADS is now used to provide farmers for free with fertilizers and other inputs. Farmers groups at local level are chaired by the head of the ruling party. Etc. (Source: MN 301).</p> <p><u>Competitiveness: yes</u></p> <p>Through Stabex projects (and notably the Coffee Farmers Alliance support project) the EC supported the <u>competitiveness of the whole coffee value chain</u> from producers (higher yields, higher productivity, and improved quality) to exporters (economies of scale in the coffee commercialization process) (Sources: MN 301 and 308).</p>
<b>CM</b>	<p>Within the AAACP programme, the EU supported the development of a strategy for Cameroon's coffee sector for 2010-2015 (aimed on competitiveness). <i>Source : MN 405, AAACP action fiche</i></p>
<b>I.2.1.2</b>	<p>Evidence that the Commission support encouraged the analysis of the sustainability, poverty implications and needs of commodity sectors as part of strategy development</p>
<b>MG</b>	<p>En 2006 le Conseil des Ministres de la République Malgache a adopté le Plan National de Développement Rural (PNDR, révisé et actualisé en 2008, qui a été en 2007 décliné en 22 plans régionaux de développement rural.</p> <p>Le PNDR définit 5 orientations stratégiques, notamment Améliorer la sécurité alimentaire et augmenter la production et la transformation agricoles (orientation 3) et Développer les marchés et organiser les filières (Orientation 5)</p> <p>Le PNDR indique que « Le secteur agricole et de la pêche demeure un secteur majeur pour l'économie malgache dans les échanges commerciaux de Madagascar. C'est ainsi que les différents accords auxquels Madagascar a adhéré constituent des portes ouvertes pour la prospection de nouveaux marchés d'autant plus que nos produits ont un avantage comparatif par rapport aux autres pays, avantage comparatif qui se traduit par le fait que:</p> <ul style="list-style-type: none"> <li>• La vanille, produit bio par essence, est très appréciée sur le marché mondial notamment aux Etats-Unis et en Europe, malgré la concurrence de l'essence de vanille synthétique ;</li> <li>• Le litchi, très prisé en Europe au cours des fêtes de fin d'année, constitue une opportunité pour notre production. D'autant plus que celle des autres pays n'arrive sur le marché international qu'à la mi-janvier pour l'Afrique du Sud et en juin pour les pays asiatiques ;</li> </ul>

	<ul style="list-style-type: none"> <li>• Nos produits horticoles (haricot vert) sont considérés comme des produits de contre-saison en Europe ;</li> <li>• La renommée historique de la qualité des épices de Madagascar ;</li> <li>• L'huile de coco, de par son caractère bio, est très recherchée pour la fabrication des produits cosmétiques ;</li> <li>• L'existence de marchés régionaux : possibilités d'exportation sur Maurice de l'ordre de 7000t/an de pomme de terre et sur les autres pays de l'Océan Indien (Comores, Seychelles, Réunion) ;</li> </ul> <p>Parmi les actions prévues par le PNDR, on relève notamment :</p> <p>« a) développer les filières et valoriser les produits</p> <p>Madagascar ne doit plus se limiter à la production de ses filières traditionnelles aussi bien pour les produits de consommation locale (riz, manioc, patate douce...) que pour l'exportation (vanille, café, pois du cap, poivre, girofle...). Les filières porteuses doivent considérer le marché régional, le maïs pour La Réunion, la pomme de terre pour Maurice, et le marché Européen où nos produits sont considérés de contre-saison tel le haricot vert. Mention particulière sera faite pour la production du coprah ou de l'huile de coco qui entre dans la fabrication des cosmétiques.</p> <p>b) promouvoir la diversification des produits</p> <p>La diversification porte sur la promotion de produits à haute valeur ajoutée. Ce sont des activités génératrices de revenu surtout pour les zones périphériques des grands centres urbains et touristiques ainsi que les produits d'exportation. »</p> <p>Au titre des moyens d'action, le PNDR prévoyait « la mise en place d'un Centre de Services Agricoles (CSA) au niveau des Districts, en vue :</p> <ul style="list-style-type: none"> <li>• D'établir une interface, un lien efficient dans l'échange et à l'accès à l'information/formation</li> <li>• De fournir des services de proximité de qualité aux organisations paysannes et aux exploitants agricoles.</li> </ul> <p>Le CSA a pour rôles et fonctions de :</p> <ul style="list-style-type: none"> <li>• Promouvoir la recherche développement agricole au niveau local en vue de répondre à la demande spécifique du monde rural</li> <li>• Constituer un relais d'information et de services technico-économiques pour les organisations des agriculteurs en relation directe avec les partenaires techniques publics, privés et ONG,</li> <li>• Assurer la capitalisation des acquis techniques et économiques</li> <li>• Faire la mise en relation avec les autres intervenants et prestataires de services</li> <li>• Appuyer le renforcement de la structuration des organisations paysannes à la base ainsi que de leurs fédérations par la formation de leurs leaders et ce, en vue de promouvoir la professionnalisation du métier d'« exploitant agricole »</li> <li>• Diffuser les informations techniques et économiques. »</li> </ul> <p>La Commission Européenne a financé la création des jusqu'à la suspension de son aide en 2010.</p> <p><i>Source : Programme National de Développement Rural</i></p>
UG	<p>The decision to design the Coffee Farmers Alliance Support project stemmed from the identification of the following problems which hindered economic growth and competitiveness for smallholder coffee farmers:</p> <ul style="list-style-type: none"> <li>• Low productivity and quality due to poor extension and training facilities on</li> </ul>

	<p>improved agricultural practices</p> <ul style="list-style-type: none"> <li>• Lack of savings and access to finance to invest in coffee production and other income generating activities</li> <li>• Reduced coffee tree population due to the devastating effects of Coffee Wilt Disease</li> <li>• Poor and inefficient market access due to a lack of organizational structure and market information, and a strong dependency on middlemen preventing a move along the value chain</li> </ul> <p><i>Source: Kaveri Coffee Farmers' Alliance Support Project, End of Project Report</i></p>
<b>I.2.1.3</b>	Evidence that Commission support contributed to enhance human and institutional capacity needed to design and ensure flexible and effective strategies
<b>CI</b>	<p>Dans le cadre de l'activité A. 1.b. « Appui aux petits Planteurs d'autres cultures paysannes d'exportation » : (<i>Source : Rider FA p.5 CI-REH</i>)</p> <p>Pour le secteur <b>café-cacao</b>, il est envisagé d'intervenir qu'a travers des <b>appuis institutionnels ponctuels</b> (études ou renforcement des capacités) mais ayant une importance stratégique pour sa restructuration et pour la répartition des revenus en son sein.</p>
<b>UG</b>	Yes. The EC supported (budget support) the GoU agricultural strategy (PMA-plan for Modernization of Agriculture), which benefited among others crops to agricultural commodities, of which coffee. The EC support to PMA focussed on research and extension with a view of improving the competitiveness of the agricultural sector (Source: MN 301, 304).
<b>I.2.1.4</b>	Evidence that the Commission promoted the participation of stakeholders, including representatives of producer/ farmer organisations, in the strategy design process and their effective engagement in the dialogue
<b>MG</b>	<p>Le programme Stabex a constitué un des rares et importants efforts significatifs d'investissement publics à Madagascar pour la relance des secteurs des cultures de rente en collaboration directe avec les producteurs et exportateurs. Le concept « filière » a été développé avec succès pour la vanille, le café et le litchi. Il a permis l'émergence ou le renforcement des organisations professionnelles, le développement et la diffusion de techniques pour débloquent les principaux goulots d'étranglement relatifs à la production, à la transformation et à la mise en marché, et/ou lorsque le potentiel existait, la standardisation des produits et le contrôle de la qualité, la promotion du label d'origine Madagascar, et si nécessaire des appuis pour des révisions réglementaires ou légales à Madagascar et dans l'UE</p> <p><i>Source : Stabex, Cadre d'Obligations Mutuelles 1996-1999</i></p>
<b>MG</b>	<p>Les différentes industries — du cacao, du café, du girofle, du poivre et de la vanille — à Madagascar, ne sont que très faiblement structurées. Une 'appropriation' des objectifs et résultats du programme STABEX, ou des recommandations de l'assistance technique d'appui, ne peut donc être le fait que de structures fugaces, comme les projets, ou de structures qui ne sont pas directement concernées—i.e., directement 'intéressées'—par les améliorations recherchées: celles de l'Etat malgache.</p> <p><i>Source : Assistance Technique à la mise en œuvre du programme d'intensification et de structuration des principales filières d'exportation de produits agricoles à Madagascar, Rapport final</i></p>
<b>UG</b>	In close cooperation with the farmers in Mubende, the Ministries of Agriculture and Finance of Uganda, the Uganda Coffee Development Authority, the Secretariat of

	<p>the Plan for Modernization of Agriculture, the Secretariat of the Medium Term Competitiveness Strategy, the European Commission, the Agricultural Productivity Enhancement Program, the Agricultural Sector Program Support Project, the Africa Project Development Facility and Neumann Kaffee Gruppe came together and designed this project for establishing the Kaweri Coffee Farmers Alliance (subsequently renamed as Uganda Coffee Farmers Alliance).</p> <p><i>Source: Kaweri Coffee Farmers' Alliance Support Project, End of Project Report</i></p>
<b>I.2.1.6</b>	Evidence that the Commission coordinated its approach to national strategy development with other donors and international organisations
<b>AAACP</b>	The EU supported strategy design for coffee, palm oil, cassava and plantains through the AAACP (which is a coordinated programme with other international organisations which were involved in the implementation of the programmes (UNCTAD, World Bank, FAO, ITC). <i>Source : AAACP action fiches</i>
<b>I.2.1.7</b>	National development strategies have integrated a strong consideration of the problems and issues surrounding agricultural commodity dependence and these problems and issues have been addressed in a cross-sectoral manner
<b>UG</b>	<p>No. At some moment in the past, the Ministry of Agriculture (MAAIF) developed commodities specific strategies (notably for coffee, fisheries, cotton, animal health, graze lands...) which have however not been consistently implemented nor have been updated (Source: MN 301)</p> <p>Designing commodities sub-programmes as a complement to the new national agricultural development strategy (DSIP) is <u>currently on the agenda of the policy dialogue between the Government and donors</u>. Donors ask the Ministry of Agriculture to design a matrix crossing the functional- and commodity-based approach. (Source: MN 313)</p>
<b>J.2.2</b>	<b><i>The Commission's support has stimulated the design of commodity strategies by CDDCs and their incorporation into national and regional development strategies</i></b>
<b>TZ</b>	There are no evidences that the Commission carried out or ensured diagnostics of the competitiveness of agricultural commodity value chains in Tanzania. However it appears the World bank carried out such diagnostic in the coffee sector. With the exception of the Tanzanian Crop Reforms which were supported under the FMO 94-99 (ASDP component) and to some extent the cotton sector, the Commission did not stimulate the design of agricultural commodities in Tanzania. However, TACRI and NGO Technoserv are preparing a strategy in the coffee sector. There is no strategy adopted in the tea sector.
<b>UG</b>	<p>At some moment in the past, the MinAgri developed commodities specific strategies, notably for coffee, which have however not been consistently implemented nor have been updated.</p> <p>Designing commodities sub-programmes as a complement to the new national agricultural development strategy (DSIP) is currently on the agenda of the policy dialogue between the Government and donors. Donors ask the Ministry of Agriculture to design a matrix crossing the functional- and commodity-based approach.</p>
<b>I.2.2.1</b>	Evidence that the Commission ensured the availability of diagnostics of the competitiveness of agricultural commodity value chains (Domestic Resource Cost studies)

<b>CM</b>	For coffee, no statistics are available about production costs. <i>Source : MN 913</i>
<b>CI</b>	<p><b>Des études sont également prévues pour l'intervention:</b></p> <p>Dans le cadre de l'activité A. 1.b. « Appui aux petits Planteurs d'autres cultures paysannes d'exportation » <i>et pour le secteur café-cacao</i>, il est envisagé d'intervenir qu'à travers des appuis institutionnels ponctuels (<b>études</b> ou renforcement des capacités) mais ayant une importance stratégique pour sa restructuration et pour la répartition des revenus en son sein. (<i>Source : Rider FA p.5 CI-REH</i>)</p>
<b>MG</b>	<p>La Délégation a produit différentes notes d'analyses (assez concises mais précises) avec focus sur offre et demande au niveau mondial, échanges et cours internationaux, production et exportations malgache + perspectives :</p> <ul style="list-style-type: none"> <li>▪ Rapport sur les exportations du secteur agriculture – élevage - pêche en 2009</li> <li>▪ La filière café septembre 2008</li> <li>▪ Note filières, Girofle, juin 2010</li> <li>▪ Note filières, Vanille, juin 2010</li> </ul> <p>Par contre, selon les informations collectées, il ne semble pas que des études « Domestic Resource Cost » aient été réalisées.</p>
<b>TZ</b>	The WB has done a sector analysis for coffee in Tanzania. <i>Source: MN 195</i>
<b>I.2.2.2</b>	Evidence that the Commission promoted the design of commodity chain strategies addressing needs and challenges identified in diagnostics and taking account of important transversal and cross-sectoral issues (environment, gender, corporate responsibility including child labour and other social rights)
<b>ACP-ACP Coffee</b>	<p>International Trade Center:</p> <p>The period between 1 January 2011 and 30 June 2011 has seen acceleration in implementation activities related to sector development strategies completed during previous periods.</p> <p>Significant progress was made with interim Result 2 achievements (of the COM(2004)89) in several non-cotton sectors in each region: eg: Jamaica – Agri-foods, Mali – Arabic gum, Cameroon – Coffee, Ethiopia – Spices, Samoa – Fruits &amp; vegetables. The final six months of the All ACP Programme will see a focus on the other sectors and countries to attain similar results.</p> <p>ITC originally agreed to deliver 17 sector value chain development strategies concluded through participatory stakeholder processes – including implementation plans and the establishment of stakeholder led strategy implementation coordination bodies. Four of these sector development strategies were to be regional in their scope.</p> <p>ITC has now delivered 17 strategies, implementation plans and established effective functioning coordination bodies in each case. Although the completion of one regional sector development strategy remains outstanding (ESA Agri-foods schedule with RECs), ITC succeeded, with support from NGOs and other agencies under the regionalisation component of Central African coffee development project, to facilitate the completion of an additional coffee sector development strategy for conflict ravaged parts of DR Congo.</p> <p>Despite longer than anticipated local arrangements for appropriate engagement and support from authorities in many countries and regions many of the early market and product development implementation activities supported by ITC have led to actual measurable results and initial increase in incomes for targeted poor communities.</p>

Detailed results of the ITC's support to the Development of effective coffee strategies and implementation are provided below (update of 30 June 2011):

- Cameroon, coffee (with World Bank): Cameroon Coffee Sector development Strategy and detailed implementation plans 2010-2015; Government "Arêté" for the creation of Comité de pilotage » for coffee strategy implementation coordination (tabled, but as yet un-signed); Completed Congo coffee sector development strategy and implementation plans (Res: 1.1 to 1.4) – March 2011; Records of Government policy-level and public fora discussions in Cameroon and DR Congo– January to June 2011; Coffee washing station (CWS) and small holder coffee production manuals produced in English and French delivered to extension services and CWS operators in all regions – October 2010; Samples of ground coffee from Gabon, DRC and Cameroon packaged for regional markets – October 2010; Sales and testing reports for first coffee samples from CWS showing 25% premium price achieved and higher outturn ratio. Investors are establishing a further 7 CWS in Cameroon and also in DR Congo along with roasting facilities (North and South Kivu) – June 2011; Reports of installation and training of four rural coffee testing and tasting stations – May 2011; Project proposals for up-scaling of pilot washing stations project across Cameroon and a project for the regeneration of 16,000 hectares of old coffee plantations – June 2011; Training manuals in English and French for coffee growers and producer associations – June 2011.

*Source: ITC, 6 Monthly progress report of the All ACP programme for the period from January to June 2011 and Programme operational activity report, 30 June 2011.*

FAO has carried out the activity 2.CEN.A02 – Support to the implementation of the Coffee Sector Strategy in Cameroon

Objective of the activity: Strengthen the producer-buyer linkages and the institutional capacity of coffee cooperatives in Cameroon.

The AAACP is supporting the implementation of the Cameroon Coffee Sector Development Strategy (2010-2015) which is being supported by ITC, UNCTAD and the World Bank, with ITC responsible for a training of trainers to work with Producer Organizations (POs) to strengthen their capacity to improve agriculture and primary processing practices. Targeted farmers will supply Central Processing Units (CPUs) which the World Bank is piloting to demonstrate the viability of improved technology for washing both Robusta and Arabica coffee. Depending on the results of the pilots, the World Bank may separately finance the construction of additional numbers of washing stations. UNCTAD is delivering support for sub objective 2.1 which focuses on modernizing the sector's information system and setting up a coffee exchange.

Based on a request from the Cocoa and Coffee Board of Cameroon (ONCC) and partner IO'S FAO had proposed the implementation of the business model approach to strengthen linkages between the CPU's and farmer groups. However since the approval of the activity the ONCC has maintained that a revolving fund be put in place to improve access to inputs and finance for the target smallholders groups. Based on good practice guidelines by FAO on revolving funds, an appraisal of the financial services available compared with the needs of the target groups has been recommended to ONCC to identify a sustainable financial mechanism for improving access to inputs and finance.

*Source: FAO, 6 Monthly progress report of the All ACP programme for the period from January*

	<i>to June 2011 and Programme operational activity report, July 2011</i>
<b>TZ</b>	<p>The 2011-2016 National Strategy for the coffee sector is not yet completed. NGO Technoserv helps TACRI to prepare the strategy. Now it is the time to share it with the stakeholders and amend and improve it. There is a need for a consensus. The EU is funding TACRI to develop milestones, targets, resources allocation and planning. The role of each actor needs to be defined. <i>Source: MN 677</i></p> <p>No strategy is available in the tea sector while there is one in preparation in the coffee sector. The Coffee sector have also produced action plans to cover the development of its activities. The EC has been consulted on the development of the marketing strategy of agricultural commodities in Tanzania Stabex supported the ASDP through the basket fund (this support stopped recently) and also to the FAO secretariat <i>Source: MN 138</i></p>
<b>CM</b>	<p>The EC supported the PACICC in 2007 (Programme d'Appui au Conseil Interprofessionnel Café-Cacao) that was submitted by the Ministry of Trade. This programme, and other interventions, were later included in the strategy for coffee supported by the All-ACP programme in 2009. .  <i>Source : MN 913</i></p> <p>The AAACP programme also supported strategy development for the coffee sector in Cameroon and the cotton sector in the whole CEMAC region. This support was implemented by the UNCTAD, through elements of supply chain strategies « <i>relating to finance strategies, market information systems, and commodity exchanges</i> » and « <i>cross-cutting activities and regional activities</i> ». Cross-cutting issues were addressed, but there is no further detail on the subject.  <i>Source : Cameroon AAACP action fiches</i></p>
<b>I.2.2.3</b>	Evidence that the Commission's support led countries to embed their national commodity strategies into their national development strategy and to include them at a regional level into regional strategies
<b>CM</b>	The AAACP programme also supported strategy development for the coffee sector in Cameroon and the cotton sector in the whole CEMAC region. <i>Source : Cameroon AAACP action fiches</i>
<b>UG</b>	<p>No. At some moment in the past, the Ministry of Agriculture (MAAIF) developed commodities specific strategies (notably for coffee, fisheries, cotton, animal health, graze lands...) which have however not been consistently implemented nor have been updated (Source: MN 301)</p> <p>Designing commodities sub-programmes as a complement to the new national agricultural development strategy (DSIP) is <u>currently on the agenda of the policy dialogue between the Government and donors</u>. Donors ask the Ministry of Agriculture to design a matrix crossing the functional- and commodity-based approach. (Source: MN 313)</p> <p>But it must be pointed out that the agricultural development strategy (PMA then DSIP) are sectoral developments of the overall poverty reduction strategy.</p>



<b>I.2.2.5</b>	Evidence that the integration of national commodity chain strategies in national and regional strategies was sustained beyond the period of support from the Commission
<b>UG</b>	<p>No. At some moment in the past, the Ministry of Agriculture (MAAIF) developed commodities specific strategies (notably for coffee, fisheries, cotton, animal health, graze lands...) which have however not been consistently implemented nor have been updated (Source: MN 301)</p> <p>Nevertheless, designing commodities sub-programmes as a complement to the new national agricultural development strategy (DSIP) is <u>currently on the agenda of the policy dialogue between the Government and donors</u>. Donors ask the Ministry of Agriculture to design a matrix crossing the functional- and commodity-based approach. (Source: MN 313)</p>
<b>J.2.3</b>	<b><i>The Commission's attention paid to commodity chain strategies in CDDCs has had more results than could have been attained by MS alone</i></b>
<b>TZ</b>	In Tanzania, there no evidence that the Commission supported agricultural commodities with added value to MS interventions in the same sector. However, the Commission has a long standing proven experience in Tanzania as far as cotton, coffee and tea are concerned.
<b>I.2.3.3</b>	Evidence of a long standing proven positive experience of the Commission in the partner country and in the commodity sector
<b>Coffee</b>	The EC has a long proven experience in supporting Kenya to reform the coffee sector (with the use of Stabex funds). <i>Source: CSP/NIP 2008-2013, page 27</i>

### EQ3 on the Commission's coordination with international organisations including ICBs

<b>To what extent has the Commission encouraged other international organisations including ICBs to adopt the Communications' approach to agricultural commodity chains?</b>	
<b>J.3.1</b>	<i>Coordination with relevant international organisations has increased following adoption of the Action Plans</i>
<b>TZ</b>	As far as agriculture is concerned, the Commission have participated to discussions with other donors. It is active in consultations for the tea and the coffee sectors. In addition, it supported the basket fund in agriculture (through STABEX) with four other donors, but stopped it. This limits its influence on the Government when discussing development of agricultural commodity value chains.
<b>J.3.2</b>	<i>The Commission's interventions have been complementary to those of other donors in the field of agricultural commodities</i>
<b>TZ</b>	The Commission is the only donor which has supported the tea sector. Before recently the Commission supported the basket fund related to agriculture with four other donors. This EC support to the basket fund stopped. The EC is still supporting the tea and the coffee sector. There is no evidence that this is made with complementarities with support from other donors.
<b>J.3.3</b>	<i>The Commission's support to ICBs has enabled them to adopt a commodity chain perspective and to spread it to other international organisations</i>
<b>I.3.3.1</b>	The Commission has undertaken assessments and promoted the reform of the ICBs objectives and functions towards: (i) improved integration of environmental and socio-economic sustainability principles into their current focus on market functioning, and (ii) improved responsiveness to stakeholders in both producing and consuming countries and to the commodity market challenges
<b>Overall</b>	The open structure, as employed by ITTO and IRSG is better than the limited number of private sector representatives permitted in ICO, ICCO or ICAC <i>Source: IDC study</i>
<b>I.3.3.2</b>	The Commission has undertaken assessments and promoted the reform of the ICBs with regard to their justification and membership by: (i) re-evaluating its membership in ICBs, (ii) considering withdrawing from ICBs with low relevance, continuous poor performance or very small size and (iii) proposing to merge ICBs covering related commodities
<b>Overall</b>	The ICBs' human resources, totalling 212 persons, range from 7 to 45 persons per ICB, with IOOC being the largest, followed by ITTO and ICO with 33 persons. IRSG is the smallest in number of staff. ICBs with greater numbers of staff generally serve large numbers of member countries and either have a wider domain and many projects (ITTO), much technical advisory work (IOOC) or more general service provision to the public (ICO). <i>Source: IDC study</i>

### EQ 4 on the Commission's support in terms of competitiveness of agricultural commodity chains in CDDCs

To what extent has the Commission's support helped to improve the competitiveness of agricultural commodity chains in commodity dependent recipient countries?	
<b>J.4.1</b>	<i>The Commission's cooperation programme has stimulated the creation of an environment conducive to increased competitiveness of agricultural commodity chains</i>
<b>I.4.1.1</b>	Evidence that the Government-Commission policy dialogue included specific measures in favour of agricultural business development and agricultural commodity exports based on identified needs and challenges
<b>MG</b>	<p>Les différentes industries — du cacao, du café, du girofle, du poivre et de la vanille — à Madagascar, ne sont que très faiblement structurées. Une 'appropriation' des objectifs et résultats du programme STABEX, ou des recommandations de l'assistance technique d'appui, ne peut donc être le fait que de structures fugaces, comme les projets, ou de structures qui ne sont pas directement concernées—i.e., directement 'intéressées'—par les améliorations recherchées: celles de l'Etat malgache.</p> <p><i>Source : Assistance Technique à la mise en œuvre du programme d'intensification et de structuration des principales filières d'exportation de produits agricoles à Madagascar, Rapport final</i></p>
<b>I.4.1.5</b>	Evidence that the Commission supported CDDCs' efforts to comply with existing tariff and non-tariff barriers (such as sanitary and phyto-sanitary) applicable to agricultural commodity imports into the EU
<b>MG</b>	<p>Oui.</p> <p><u>L'UE a eu une contribution importante dans le développement des normes et de la qualité</u> (café, girofle, crevette, produits animaux) mais les producteurs n'ont pas été suffisamment impliqués et nécessitent d'être formés sur le long terme (travail de longue haleine).</p> <p>Il y a encore des obstacles à l'exportation du fait <u>d'insuffisances dans le respect des normes sanitaires et phytosanitaires</u>. Il y a eu des produits refoulés (café, huiles essentielles, légumineuses). Les services vétérinaires et de la protection des végétaux seront des cibles de l'UDPR (Unité de Politique de Développement Rural) pour des actions de formation. Il y également une nécessité de professionnaliser les secteurs exportateurs (lichis, girofle) pour répondre aux normes internationales. (Source : MN 805).</p>
<b>MG</b>	<p>En 2009, la mission d'assistance technique au Ministère du Commerce et de l'Industrie (MECI) a été poursuivie pour l'appui à la finalisation de l'APE complet et à l'opérationnalisation du Système National de Normalisation et de Qualité (SNNQ). L'appui de l'UE a permis la signature de l'APE intérimaire. Cinq projets de normes ont été préparés pour le cacao, le poivre, le girofle, le café et le litchi et le service "certification" du Bureau des Normes de Madagascar (BNM) est mis en place avec l'entrée en fonction de son Directeur début 2010.</p> <p>Toutefois, le programme s'est achevé avant que ce processus ne puisse être mené à terme et de grandes inquiétudes règnent quant à ses possibilités d'aboutissement. Les risques portent à la fois sur l'appropriation des appuis passés par le BNM et le portage politique du processus SNNQ. Le Conseil d'administration du BNM et le Conseil national de normalisation ne se sont toujours pas réunis. Les ressources du</p>

	BNM et des services chargés de l'inspection ne sont pas à la hauteur des besoins. <i>Source : Rapport Stabex 2009</i>
<b>MG</b>	Le bilan de l'appui au Système National de Normalisation et de Qualité (SNNQ) sur la période juillet 2006 – janvier 2010 (9 missions d'appui ponctuelles) est assez mitigé. Les agents concernés ont été formés principes et standards des processus et pratiques de normalisation et inspection, et une démarche qualité, qui est transposable à d'autres produits, a été appliquée à 5 produits (litchi, café, girofle, poivre, cacao). Cependant, les démarches engagées n'ont pu être menées à terme. Des normes provisoires ont été définies mais ne sont pas appliquées faute d'être homologuées. La complémentarité des normes avec les règlements techniques n'a pas pu être abordée au delà de recommandations d'ordre général. La mise en œuvre s'est heurtée à un manque de ressources humaines et matérielles des services d'inspection et de certification ainsi qu'à un manque de volonté dans la mise en œuvre d'une véritable politique de qualité. <i>Source : Rapport Stabex 2010</i>
<b>J.4.2</b>	<b><i>Commission support has contributed to increase agricultural commodity production and lower the average cost of production and processing</i></b>
<b>TZ</b>	The bulk of the Commission support to agricultural commodities in Tanzania was devoted to sugar, tea and coffee. This support was especially devoted to research and infrastructures, but also capacity building. As a result, interventions supported by the Commission have allowed increasing agricultural commodity production in the coffee sector and in the tea sector and reducing production and processing costs in the coffee sector. In addition, interesting results have been obtained even if they are rarely sustainable. <u>Coffee:</u> support to TACRI (research centre): infrastructures, equipment, development of varieties resistant to diseases, trained smallholders. New improved varieties delivering 30-50% cost savings and gross margins improved by up to 264%. However there still are huge challenges for smallholders in terms of access to seedlings and fertilizers, extension services, quality of the products due to poor quality processing, marketing.
<b>UG</b>	Through Stabex projects (e.g. Coffee Farmers Alliance support project) the EC supported the competitiveness of the whole coffee value chain from producers (higher yields, higher productivity, improved quality) to exporters (economies of scale in the coffee commercialization process) The EC support to the PMA implementation aimed at strengthening the link between research and extension and at reinforcing the extension system. However results didn't meet expectations.
<b>I.4.2.1</b>	Commission support contributed to stimulate research (in the field of production factors and producer access to them, and labour productivity) and the dissemination of research results to producers/producer organisations
<b>CM</b>	The EU is starting (the FA was signed in 2011) a seed multiplication project for coffee and cocoa in Cameroon, within its PAPA programme (Programme d'Amélioration de la Productivité Agricole). <i>Source : MN 913</i>
<b>TZ</b>	The research in the coffee sector in Tanzania started in 1934. At that time a lot of research was done. Investments in coffee research declined a lot since the price fell down. There was a demoralisation in the coffee industry and everybody gave up. Major issues faced by the coffee production in Tanzania are coffee berry disease

<p>(CBD) and Coffee leaf rust (CLR) as far as Arabica is concerned, and coffee wilt disease (CWD) as far as Robusta is concerned. The cost of controlling disease equalled more than the half of the sell price. For this reason coffee producers gave up.</p> <p>To face these issues, there were long negotiations around 2000. As result of theses negotiations, the Tanzania Coffee Research Institute (TACRI) was founded in September 2001 and research started again. This institute is lead by a board of directors elected every 3 years. In this board there are representatives of growers, factories, Government of Tanzania. In addition, there are technical advisory services (including 5 people), which advise the Board on the research to carry out. Everything is clear in terms of governance.</p> <p>Legally TACRI is a private company. However TACRI is working as a public-private partnership, in which the Government, growers, traders, processors, Coffee Board, exporters are involved.</p> <p>Stabex financed facilities: 4 research substations, including one not completed due to problems with to lots of contracts. Remained STABEX funds should be used to finish these facilities.</p> <p>In addition, the EU funded consulting services to prepare and write the 2003-2008 Strategic Action Plan of TACRI, including consultation with stakeholders and decision about research areas. These areas tackled diseases, productivity, quality and good agricultural practices to grow coffee plants. This Strategic Plan was evaluated in 2008 (supported by STABEX funds). Positive results were highlighted and developed coffee varieties were approved. Recommendations of the evaluation led to a revised Strategic Plan: a continuation of activities carried out before with minor amendments. In order to support this plan, additional resources have been brought by the EU through the Trade and Agriculture Support Programme (TASP): €2 M.</p> <p>The Strategic action plan is being ended (end: 2013). The programme was successful. Research results obtained are:</p> <ul style="list-style-type: none"> <li>▪ 10 Arabica varieties resistant to diseases have been developed</li> <li>▪ 4 Robusta varieties resistant to coffee wilt disease have been developed</li> </ul> <p>The challenge is still technology transfer (= dissemination of the resistant varieties/ seedling) to producers, including smallholders. Four methods are used to multiply coffee seedling in nurseries. Developing a tissue among producers is still a challenge to scale up the production of resistant varieties and disseminate them among producers.</p> <p>Stabex was instrumental in these successes. Stakeholders agreed to 0.7 tsh/kg in order to fund the TACRI institution (or are 0.7% of the price per kg). This is evidence that producers believe in the TACRI research.</p> <p>Legally TACRI is a private company. However TACRI is working as a public-private partnership, in which the Government, growers, traders, processors, Coffee Board, exporters are involved.</p> <p>The challenge is still technology transfer (= dissemination of the resistant varieties/ seedling) to producers, including smallholders. Four methods are used to multiply coffee seedling in nurseries. Developing a tissue among producers is still a challenge to scale up the production of resistant varieties and disseminate them among producers.</p> <p>In the coffee sector, the market is quite complex; it is not easy to define the final importers. Technoserv (NGO) has supported the coffee marketing. This is not the role in the EC as the market aspects have been already addressed by Technoserv. The EC doesn't feel it is appropriate for them to get involved in marketing, it is too much 'hands-on' and the EC thus leaves the support for linking the farmers to the</p>
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	<p>markets to Technoserve.</p> <p>Technology transfers have been supported by the EC. The EU added value deals with support to research and trade. So that is why the EC has supported tea and coffee researches in Tanzania and trade as part of the regional integration. The Trade and Agricultural Support Programme (TASP, 2009) is supported by the EC. Institutional memory on Stabex is difficult to find in the EU delegation.</p> <p>The issue of extension services is important: there are lots of NGOs involved in this that could be used.</p> <p><i>Source: MN 673, MN 677, MN 138, MN 625, MN 602</i></p>
<b>CI</b>	<p><u>Secteur café – cacao : oui</u></p> <p>Considérant les impacts économiques énormes pour l'économie ivoirienne induits par une réglementation restrictive du taux de contamination en OTA des lots de café et de cacao, l'UE a souhaité soutenir l'effort du Gouvernement à contrôler ce risque. <u>Un programme de recherche, décliné en plusieurs étapes a donc été soutenu</u> (1614 millions FCFA ont été mis en œuvre). Il s'est articulé autour de :</p> <ul style="list-style-type: none"> <li>• missions préparatoires destinées à élaborer et à appuyer la mise en œuvre d'une stratégie de prévention;</li> <li>• programme de recherche, décliné en deux étapes, dont la seconde vise l'évaluation des points critiques dans différentes zones géographiques, installation d'un laboratoire de référence accrédité (LANADA), développement d'un programme de prévention.</li> <li>• La Convention de contribution ONUDI permettra l'équipement d'un laboratoire accrédité</li> </ul> <p>Une AT a appuyé la préparation du programme de recherche (Eurata - mai 2005) et celle d'une AT Directeur de recherche (AGRIFOR), la direction et la supervision des études, la mise en place du programme de vulgarisation et a assisté le MinAgri dans ses actions et plaidoyer.</p> <p>Selon l'évaluation, en ce qui concerne la problématique de l'OTA, les recherches et les travaux scientifiques ont été nécessaires. Les analyses montrent que le taux de rejet de lots de cacao, si la norme était appliquée, pourrait être compris entre 5 et 10% des exportations (60000 à 120000 tonnes), soit un chiffre d'affaire de 90 à 180 milliards FCFA. Les conséquences économiques possibles sont donc importantes. Cela impose effectivement des mesures de prévention et des actions de lobbying.</p> <p>Source : Eval Stabex 2009</p>
<b>UG</b>	<p>Thanks to EU funding, coffee varieties resistant to the Wilt Disease were created. EU has also supported research for oil seeds and tea. (source: MN305)</p>
<b>UG</b>	<p>EU support was fundamental from 2001 to 2006 for the establishment of the etiology and the epidemiology of Coffee Wilt Disease (CWD) and to generate over 1500 CWD Robusta resistant clones that continue to act as a selection pool. COREC has since established on-farm trials and mother gardens of CWD resistant clones. Seven CWD resistant clones partially released (consumer and yield acceptable). The quality of these coffees is checked by UCDA. (Source: MN310)</p>

<b>I.4.2.2</b>	Commission support contributed to improve production factors and farmers access to them (e.g. extension services/agricultural techniques, water, fertilizers, seeds, energy)
<b>CM</b>	Au Cameroun, le programme PACICC (Programme d'Appui au Conseil Interprofessionnel Café-Cacao) avait une composante qui a mis du petit matériel à disposition des groupements de producteurs (tels des atomiseurs, débroussailleuses, balances, humidimètres...). <i>Source : MN 913</i>
<b>MG</b>	<p>Les fonds Stabex ont financé entre fin 2008 et fin 2010, pour un budget total de €4,7 millions, onze projets mis en œuvre par cinq organisations.</p> <p>Chacun des onze projets poursuivait les mêmes objectifs d'accroissement du revenu des producteurs par l'augmentation et l'amélioration de l'offre de cinq produits agricoles d'exportation (cacao, café, girofle, poivre, vanille) et par une meilleure valorisation au moment de l'échange.</p> <p>L'augmentation de l'offre des produits devait être le résultat de l'augmentation de la production — résultant elle-même de l'extension des surfaces consacrées à ces cultures et de l'amélioration de la productivité des exploitations.</p> <p>Parallèlement, à ces actions d'augmentation de l'offre les actions d'amélioration de la qualité des produits mis en vente avaient également pour objet d'assurer une meilleure rémunération des producteurs. L'amélioration de la valorisation devait être le résultat d'une mise en adéquation de la demande exprimée par les acheteurs et de l'offre résultant des actions du programme.</p> <p>Un nouveau mécanisme de mise en vente —la vente publique sur les marchés communaux, lors de la première transaction de la chaîne des échanges — devait être celui par lequel les exigences des acheteurs seraient communiquées aux producteurs.</p> <p><i>Source : Assistance Technique à la mise en œuvre du programme d'intensification et de structuration des principales filières d'exportation de produits agricoles à Madagascar, Rapport final</i></p>
<b>VU</b>	<p><u>POPACA/POP2 project:</u> Several stakeholders have declared that this project was designed through a top-down approach. Farmers were not involved from the beginning. Under this project, infrastructures were built. But today these infrastructures are no more working and trees are covering them as there is no budget for maintenance. There is a clear sustainability problem.</p> <p>The Government does not support agricultural value chains (cocoa for example). The problem of the POPACA project was that it was supporting too many value chains at the same time. The money was spread to too many value chains. No study has been done before launching the project to select key value chains to be supported. There was too much spreading. However, there is one success linked to that project; this concerns the coffee sector in Tana. A lot of support was brought to the coffee sector. But there was no impact in terms of increased coffee exports for Vanuatu. There is still small processing and packaging in Vanuatu. Coffee of Tana is protected by a tariff against imported coffee (25% taxes to be paid to import coffee in Vanuatu). In the cocoa sector there is still a lack of resources to grow more cocoa and process it.</p> <p><i>Sources: MN 1011 and MN 1098</i></p> <p>La CE a appuyé la transformation des produits agricoles à travers le projet POP2/POPACA, notamment pour le cacao, le café et le copra. Cela a permis d'organiser le séchage des récoltes. Par exemple, des subventions ont été données pour acheter du matériel comme des buses pour construire les cheminées des fours pour sécher les productions agricoles.</p>

	<p>Le projet POPACA (terminé en 2007) a eu quelques résultats positifs en termes d'organisation des producteurs en coopératives. Mais, il n'y a pas eu de durabilité des résultats acquis. Par ailleurs, il y a eu du retard dans l'exécution du projet (il a duré de 2001 à 2007) et il a été difficile de dépenser tous les fonds disponibles. Il y a ainsi eu un grave problème d'absorption des fonds car le Gouvernement est incapable de gérer et de définir des politiques et des stratégies.</p> <p>Dans le secteur de la vanille, de manières techniques de production ont été apprises grâce au projet POP2/POPACA. Les avancées ont cependant été faites à petite échelle. La qualité des produits, comme la vanille, s'est améliorée grâce au projet POPACA/POP2.</p> <p><i>Sources : MN 1067 and MN 1098</i></p>
<b>TZ</b>	<p>The EC has supported the Tanzania Coffee Research Institute (TACRI). TACRI has devoted a part of its activities to train extension services from TACRI and from the Government (at district level) on agricultural techniques in the coffee sector (Arabica and Robusta).</p> <p>In the District of Moshi, there are 27 officers who work with coffee cooperatives and coffee producers. These officers have been trained by TACRI about agricultural techniques. Training has been provided in group. Farmers are also trained by TACRI. To be cost-efficient training are provided in TACRI's building or within cooperatives. Poor smallholders link to existing cooperatives in order to organise the follow-up of their crops. To launch their nurseries TACRI may provide coffee seedlings free to smallholders.</p> <p>Extension services assist producers in managing nurseries. In this nursery there are 6 workers dealing with seedlings. Sometimes TACRI purchase material to build nurseries, sometimes cooperatives purchase themselves. In this last case, extension services may advice cooperatives about the right material to buy.</p> <p>In the Moshi district, the Agriculture Support Development Programme, which is supported through a basked fund that the EC left recently, finance extension services of the district to advice producers to grow coffee? District extension services and extension services of TACRI are working together on the field. TACRI has trained 65 groups, of which 10 groups hired by the ASDP and 55 from TACRI extension services and producers.</p> <p>However, huge challenges remain in the Tanzanian coffee sector, especially for smallholders:</p> <ul style="list-style-type: none"> <li>▪ Buy and use inorganic fertilizer. 100 g of ammonium sulphate per seedling is required when planting. This fertilizer is expensive (around 40 YSD/ 50 kg) and a lot of producers can not afford it. Another 75 g of calcium ammonium nitrate is required two times while coffee plant is growing. Three applications of inorganic fertilizers are recommended in total.</li> <li>▪ Productivity issue: 2 kg to 3 kg per tree is a good productivity. Around 5 kg of berries allows getting 1 kg coffee ready to sell on the market (Moshi's auction).</li> <li>▪ Quality improvement (Premium standard)</li> </ul> <p>In the coffee sector, there is a huge challenge in terms of training extension services and producers and attached them to TACRI, notably to support TACRI activities in the future. TACRI decided to train trainers, which sill train themselves producers and other extension services. So far, 846 groups of trainers (of around 25-30 participants) through the whole country have been trained about breeding, cutting, processing, etc. This training is providing throughout the year. There are 21 TACRI trainers for the whole country. To scale up training TACRI work also closely to NGOs trough partnerships.</p>



	<p>Within the Trade and Agriculture Support Programme (TASP) funded by the EU (€2M), different activities are foreseen:</p> <ul style="list-style-type: none"> <li>▪ Research;</li> <li>▪ Breeding programme to develop varieties;</li> <li>▪ Continuation of the development of Arabica</li> <li>▪ Releasing varieties</li> <li>▪ Scaling up to growers: a budget has been devoted to operational activities (transport, training, and subsistence of participants to trainings).</li> <li>▪ Developing building and facilities</li> <li>▪ To pay casual salaries (the rest is paid by TACRI)</li> <li>▪ Research programme to address climate change (drought)</li> <li>▪ Capacity building (participations to conferences, travels, etc.)</li> </ul> <p><i>Source: MN 677, MN 690, MN 673</i></p>
UG	<p>An efficient extension system has been put in place by the Kaweri Coffee Farmers' Alliance Support project to improve the coffee husbandry of the project's farmers. A number of good agricultural practices were promoted, including the use of high-quality planting material and fertilisers, water and soil nutrient conservation, de-suckering and weeding. To this end, some 1,248 coffee demonstration plots on farmers' fields were established, the yields of which increased significantly over time. Sample surveys show impressive levels of adoption of these practices by the farmers. The project also supported the establishment of six farmer-owned/operated coffee nurseries and associated mother gardens which has meant that the chronic shortage of good planting material which had been a feature of the districts, is now history. Old plantings have been rehabilitated and more than 2.50 million good-quality coffee plantlets distributed to/purchased by, the project farmers.</p> <p><i>Source: Evaluation of the Kaweri Farmers' Alliance Support Project</i></p>
UG	<p>Availability of agricultural inputs has improved considerably in the project area. 14 out of 24 DC Companies have set up input supply schemes. Private stockists have also reported higher sales;</p> <p><i>Source: Kaweri Coffee Farmers' Alliance Support Project, End of Project Report</i></p>
UG	<p>In order to train and encourage the farmers to employ better coffee husbandry practices, an extension system was set up. Project Field Officers, DC Extensionists and Lead Farmers at PO level created the link through which training would reach the farmers and information would flow in both directions. By the end of the project a total of 24 DC Extensionists and 443 Lead Farmers were involved in the extension system. A total of 1,288 demo plots were established; 328 large demo plots and 960 small demo plots of 110 and 25 coffee trees respectively.</p> <p>With the cooperation with the LEAD project and through their specific focus on Farmer Field Schools, this concept was prominently introduced half way through the 5th and final project year. The introduction of FFS transformed the extension system; ownership was passed on to the farmer groups and as such it changed to a bottom up approach and to a more participatory approach. In total 447 FFSs have been established and 72 FFS Facilitators have been trained at DC level, each one responsible for approx. 6 FFSs.</p> <p>The various tools that have been employed in the extension system have resulted in a significant improvement in the adoption of good agricultural practices. This has, however, been a gradual and fairly slow process. A monitoring exercise that began in</p>

	<p>2007 shows the improvement over the years. Approximately 60% of the farmers are now adopting improved agricultural practices.</p> <p><i>Source: Kaweri Coffee Farmers' Alliance Support Project, End of Project Report</i></p>
<b>UG</b>	<p>The extent to which farmers depend on middlemen for credit and loans has been hugely underestimated. One of the main reasons why DC Companies are currently only accessing about 30% of the members' coffee is because most of it is tied up with middlemen in repayment of loans. This constraint should have been addressed sooner by focusing on savings, for example through the development of Village Savings and Loans Associations. It would have also been important to have focused sooner on creating links between DC Companies and financial institutions.</p> <p><i>Source: Kaweri Coffee Farmers' Alliance Support Project, End of Project Report</i></p>
<b>UG</b>	<p>The Luwero coffee project is founded on the experiences from the Kaweri Coffee Farmers' Alliance Support project, but, in addition, will also be incorporating the following components to further complement the concept of the project:</p> <ul style="list-style-type: none"> <li>• Access to credit shall be substantially improved. In addition to short term funds for commercial operations, also financing for the crop cycle is planned.</li> <li>• Farmers and their organizations shall be trained in financial literacy and business planning in order to better assess production costs, improve farm management and to plan the economic development of the organizational structures.</li> <li>• Commercial partnerships between farmer organizations and their downstream supply chain partners shall be strengthened.</li> <li>• A focus will be put on farm households, strengthening the potential to evolve as a whole (women, men and children). This includes enabling household members to better develop their potential, as well as looking at possibilities to raise income through diversification while reducing risk.</li> <li>• A comprehensive mainstreaming gender approach will be designed and implemented as cross cutting through the entire project.</li> </ul> <p><i>Source: Kaweri Coffee Farmers' Alliance Support Project, End of Project Report</i></p>
<b>UG</b>	<p>Approximately 14,600 smallholder farmers were registered with the Kaweri Coffee Farmers Alliance Support project and grouped into 443 Producer Organisations (PO) that were subsequently transformed into Farmer Field Schools. These were, in turn, organised into 24 farmer organisations know as Depot Committees (DC) which, over the last two years of the project, were transformed into legally-registered companies. They were established to facilitate the provision of agricultural services to their members, to add value to their coffee and to access more-remunerative markets.</p> <p>The project provided intensive and wide-ranging training to those involved in the operations and management of both the companies and their constituent POs. Training was also provided to stockists providing fertilisers and other inputs/tarpaulins to the Alliance farmers throughout the project area.</p> <p><i>Source: Evaluation of the Kaweri Farmers' Alliance Support Project</i></p>
<b>MG</b>	<p>Concernant la filière <u>café</u>, le programme d'appui à cette filière, mis en œuvre par le Comité National de Commercialisation de Café (CNCC), est recentré sur l'appui à l'amélioration du potentiel de production et au renforcement des capacités des acteurs, pour l'amélioration de la qualité dans un contexte de production tournée</p>

	<p>vers le marché, notamment la valorisation du café de qualité issu d'un système de production et de commercialisation normalisé.</p> <p><i>Source : Rapport annuel Stabex 2006</i></p>
<b>MG</b>	<p>Le projet SOAVA, financé sur fonds Stabex et mis en œuvre par l'ONG Association Intercoopération Madagascar (AIM) couvrait 14 Communes du district de Mananara Nord et environ 16.200 petits agriculteurs familiaux pratiquant des cultures d'exportation (vanille girofle, café) en complément de cultures vivrières.</p> <p>Les résultats attendus du projet étaient les suivants :</p> <ul style="list-style-type: none"> <li>- Résultat 1 : La productivité des facteurs de production des ménages ruraux est augmentée de manière durable ;</li> <li>- Résultat 2 : Les produits répondent aux normes de qualité des marchés nationaux et internationaux ;</li> <li>- Résultat 3 : Les marchés intérieurs des produits d'exportation fonctionnent de manière concurrentielle et au bénéfice des producteurs ;</li> <li>- Résultat 4 : De nouveaux marchés de niche sont identifiés et exploités.</li> </ul> <p>AIM a adopté comme approche de mise en œuvre de ces deux projets la collaboration et l'interaction entre les trois pôles d'acteurs de ces filières d'exportation : (i) les producteurs à la base, (ii) les collecteurs locaux en contact direct avec les producteurs et (iii) les autorités locales responsables de la mise en place d'un cadre favorable.</p> <p>Selon l'évaluation finale du projet, les résultats suivants ont été obtenus :</p> <p>Résultat 1 : Productivité des facteurs de production</p> <ul style="list-style-type: none"> <li>• Des intrants de qualité ont été mis à la disposition des producteurs (établissement de pépiniéristes, production de plants de girofliers)</li> <li>• Les techniques culturales ont été améliorées</li> <li>• Les terroirs communaux sont mieux exploités (plantations d'acacias et eucalyptus)</li> </ul> <p>Résultat 2 : Les produits répondant aux normes de qualité des marchés nationaux et internationaux</p> <ul style="list-style-type: none"> <li>• Regroupement des producteurs professionnels</li> <li>• Application des techniques de post récolte</li> <li>• Mise en place des alambics modernes</li> <li>• Mise en fonctionnement de service de contrôle (poinçonnage des plants de vanille)</li> </ul> <p>Résultat 3 : marchés intérieurs des produits d'exportation</p> <ul style="list-style-type: none"> <li>• 13 marchés organisés ont été établis et sont fonctionnels. 20% de la production totale de vanille dans le District est écoulée sur ces marchés. Sur 88 collecteurs recensés, 29 ont participé à une formation sur la qualité des produits de rente et sont en possession de cartes professionnelles. Mais pour le girofle et le café, les pourcentages des produits vendus sur les marchés communaux par rapport aux productions totales sont très faibles et représentent respectivement 0,1% et 8%.</li> <li>• Mise en œuvre d'un système d'information de marché (SIM) en collaboration avec PPRR (projet FIDA)</li> <li>• Capitalisation des expériences (visite-échange avec un autre projet)</li> </ul>

	<ul style="list-style-type: none"> <li>• Appui aux Communes sur la bonne Gouvernance</li> </ul> <p>Résultat 4 : Marchés de niche</p> <p>Les groupements producteurs d'huile essentielle de girofle sont entrés en relations commerciales avec l'entreprise suisse Givaudan, qui est engagée dans une démarche d'approvisionnement à la source, et de rémunération équitable des produits</p> <p>L'évaluation conclut que l'approche multi-acteurs : collaboration pratique entre producteurs, autorités locales et secteur privé pour développer les filières girofle et vanille, initiée et développée par AIM témoigne de l'efficacité du projet traduite par les premiers effets positifs constatés et ce, malgré le temps imparti très limité pour assurer la durabilité des acquis et des effets.</p> <p><i>Source : Evaluation finale du projet SOAVA</i></p>
<b>MG</b>	<p>Les objectifs spécifiques du projet AFAKA, portant sur 7 communes du district de Mahanoro et 10 communes du district de Vatomaniry, consistaient dans la mise en place d'un modèle de commercialisation, des structures sociales et la mise à disposition des compétences techniques (éprouvés) permettant la relance de trois filières d'exportation : café, girofle, poivre.</p> <p>Les résultats attendus étaient :</p> <p>Résultat 1 : Un système de production de jeunes plants, de diffusion de technique de production</p> <p>Résultat 2 : Une démarche de planification de l'extension de surfaces plantées en culture de rente</p> <p>Résultat 3 : Un processus d'amélioration de la qualité des produits mis sur le marché</p> <p>Résultat 4 : Un modèle d'organisation de marché assurant la concurrence, la transparence et l'équité</p> <p>L'évaluation conclut que la durée de vie de 29 mois du projet ne lui permettait pas d'atteindre ces résultats. Par contre, le projet a pu mettre en place une base solide pour une future augmentation de la production de girofle, café, poivre notamment en termes de quantité et qualité :</p> <ul style="list-style-type: none"> <li>• L'existence d'un système de fournitures de matériels végétal, à travers les pépinières privées villageois qui est tirés par la présence d'une demande des jeunes plants par les autres producteurs</li> <li>• L'existence d'un système de vulgarisation « Paysan à Paysan » à travers des Paysans Leaders motivés disposant de connaissances nécessaires en matière de techniques culturales et techniques d'encadrement.</li> <li>• La structuration des producteurs en OPC en matière de commercialisation mais qui se trouve encore au stade de démarrage</li> <li>• La gouvernance des 3 filières par les communes en matière de plan d'extension des futures plantations de café, de girofle et de poivre.</li> <li>• Les marchés organisés permettant la réalisation de transactions commerciales transparente mais qui ne traitent qu'une très faible fraction de la production totale de la zone couverte par le projet.</li> </ul> <p><i>Source : Projet AFAKA Mahanoro-Vatomaniry, Mission d'évaluation finale</i></p>
<b>I.4.2.3</b>	Commission support contributed to increase agricultural commodities crop yields, crop quality and quantity

<b>CM</b>	Although the EC is supporting programmes to disseminate new varieties and improved farming practices, it isn't possible to measure the effects on the country. They would appear to be small (given the size of the programme), but no statistics are available on the coffee sector in the country. The Mungo-Nkam rural development programme also financed nurseries (70,000 seedlings given to 10 producer organisations). <i>Source: MN 913; évaluation à mi-parcours du programme de développement rural du Moungo Nkam HTSPE, 2009</i>
<b>MG</b>	Le programme Stabex a constitué un des rares et importants efforts significatifs d'investissement publics à Madagascar pour la relance des secteurs des cultures de rente en collaboration directe avec les producteurs et exportateurs. Le concept « filière » a été développé avec succès pour la vanille, le café et le litchi. Il a permis l'émergence ou le renforcement des organisations professionnelles, le développement et la diffusion de techniques pour débloquer les principaux goulots d'étranglement relatifs à la production, à la transformation et à la mise en marché, et/ou lorsque le potentiel existait, la standardisation des produits et le contrôle de la qualité, la promotion du label d'origine Madagascar, et si nécessaire des appuis pour des révisions réglementaires ou légales à Madagascar et dans l'UE. <i>Source: Cadre d'Obligations Mutuelles 1996-1999</i>
<b>TZ</b>	<p>The EC has supported TACRI which has developed new coffee varieties, which are resistant to main coffee diseases. These new varieties helped to improve the quality of the final product.</p> <p>The quality is important; the price depends on the quality. The quality is based on several elements:</p> <ul style="list-style-type: none"> <li>▪ It starts from the fields with the appropriate varieties to grow (which of them varieties resistant to diseases and traditional varieties).</li> <li>▪ The implementation of good agricultural practices</li> <li>▪ The way the coffee is harvested</li> <li>▪ The primary processing in which a lot of efforts have been done so far since several years. However there is a challenge in terms of cleaning products with water. There is of shortage of equipment to clean coffee berries. There is a need for new ecological machines.</li> <li>▪ Curing</li> </ul> <p>These last ten years the quality of the Tanzanian Coffee has increased.</p> <p>Through the All ACP programme a regional project led by CFC has been implemented to improve quality of the products and reach quality standards with certification. This programme is devoted to provide training in quality schemes. This programme just started in Tanzania in January 2011 with the kick-off meeting. So far no activities have been developed (except the kick-off meeting of January 2011).</p> <p>Tanzanian coffee is qualified as Premium in the ICO classification because its highest quality but can not deliver as such as it faces quality issue due to water cleaning of berries before marketing them.</p> <p><i>Source: MN 677</i></p> <p>“Significant improvement in yields and savings in cost of production have been demonstrated with new improved varieties delivering 30-50% cost savings and gross margins improved by up to 264%. Capacity to roll out more coffee plants with the current set up at TaCRI is severely limited and more innovative arrangements, perhaps involving the private sector, should be tried. The current pace of production and distribution of new planting material is too slow/ inefficient such that TaCRI may never achieve the national targets unless something drastic is brought in to play. To date approximately 300,000 plants have been delivered, mainly to demonstration</p>

	<p>plots and mother gardens, compared with the estimated 468 million needed to replant the whole coffee industry in Tanzania”.</p> <p><i>Source: Evaluation of activities funded by 1994/99 Stabex transfers, 2007</i></p>
<b>UG</b>	<p>Yes, strong evidence with the Kaweri Coffee Farmers Alliance Support Project supported by Stabex with activities regarding the improvement of productivity, quality and efficiency of the coffee value chain (improvement of coffee production and better overall farm management, improvement of quality, nursery implementation and organizational development).</p> <p>Indeed, among the main achievements, farmer organizations have implemented a <u>quality control system</u> to ensure that only good quality coffee will be marketed through the organizations and <u>yield achievements increase</u> in the average farmers' production from about 600 Kg green coffee per Ha to about 1.3 T/ha (average production on demo plots has reached about 2.7 T/ha). (Source: MN 308).</p>
<b>UG</b>	<p>It is too early for any significant increase in coffee production arising from the Kaweri Coffee Farmers' Alliance Support project's activities to be recorded, as the new plantings/rehabilitated areas have not yet reached full production; this can be expected in the coming 1-2 years. Nevertheless, it has been calculated that as a result of selling their Kiboko through their companies, Alliance farmers have experienced significant increases in the returns from their coffee enterprises – averaging US\$ 246,000 (24%).</p> <p><i>Source: Evaluation of the Kaweri Farmers' Alliance Support Project</i></p>
<b>MG</b>	<p>Les fonds Stabex ont financé entre fin 2008 et fin 2010, pour un budget total de €4,7 millions, onze projets mis en œuvre par cinq organisations.</p> <p>Chacun des onze projets poursuivait les mêmes objectifs d'accroissement du revenu des producteurs par l'augmentation et l'amélioration de l'offre de cinq produits agricoles d'exportation (cacao, café, girofle, poivre, vanille) et par une meilleure valorisation au moment de l'échange.</p> <p>L'augmentation de l'offre des produits devait être le résultat de l'augmentation de la production — résultant elle-même de l'extension des surfaces consacrées à ces cultures et de l'amélioration de la productivité des exploitations.</p> <p>Parallèlement, à ces actions d'augmentation de l'offre les actions d'amélioration de la qualité des produits mis en vente avaient également pour objet d'assurer une meilleure rémunération des producteurs. L'amélioration de la valorisation devait être le résultat d'une mise en adéquation de la demande exprimée par les acheteurs et de l'offre résultant des actions du programme.</p> <p>Un nouveau mécanisme de mise en vente —la vente publique sur les marchés communaux, lors de la première transaction de la chaîne des échanges — devait être celui par lequel les exigences des acheteurs seraient communiquées aux producteurs.</p> <p><i>Source : Assistance Technique à la mise en œuvre du programme d'intensification et de structuration des principales filières d'exportation de produits agricoles à Madagascar, Rapport final</i></p>
<b>MG</b>	<p>Oui mais la CE a <u>étendu à partir de 2008 ses appuis vers l'aval</u>. Avant 2008, les appuis concernaient essentiellement la production (recépages, plantations, etc. afin d'améliorer les rendements, la productivité et la qualité). A partir de 2008, les appuis ont également été centrés sur l'organisation du marché et la commercialisation 11 projets ont été sélectionnés sur appel à propositions (café, vanille, girofle, poivre, cacao) avec un volet appui à la production (CTHT, CNCC,...), un volet qualité (formation, sensibilisation, petit matériel) et un volet organisation des marchés au niveau des communes (ce qui a le moins bien marché car ce volet est très complexe à</p>

	mettre en œuvre étant donné le contexte institutionnel et la concurrence des acheteurs itinérants). (Source : MN 802).
<b>MG</b>	<p>S'inscrivant dans la continuité des précédentes interventions, les appuis à l'accroissement de la production ont pu, malgré la courte durée du programme (28 mois), être rapidement menés à une large échelle. Ainsi, plus de 1 millions de plants ont été produits. Dotée d'un bon potentiel de développement bien que peu touchée par les précédents appuis, la filière girofle a bénéficié de 37% de cette production (constituée à 48% de caféiers et 1% seulement de plants de vanille). Des manuels et guides techniques à l'intention des producteurs ont été rédigés en langue locale et largement diffusés, via notamment les paysans-relais formés à cet effet. Ces réalisations n'ont cependant pas d'effet immédiat sur la production (il faut 7 années avant qu'un giroflier entre en production) et, lorsque cela sera, elles ne devraient que partiellement compenser la baisse liée à l'âge déjà avancé de la plupart des plantations. Face à des besoins très importants, les opérateurs ont surtout contribué au développement des compétences, au niveau notamment de 250 pépinières villageoises et privées et de 200 paysans relais ou leaders.</p> <p><i>Source : Rapport Stabex 2010</i></p>
<b>MG</b>	<p>Les appuis à l'amélioration de la qualité ont constitué en la mise au point et distribution de matériel de traitement post-récolte adapté (en particulier pour le séchage du café et du girofle, dont la récolte se réalise en saison humide), la recherche de procédés alternatifs (préparation du café par voie humide), la formation de préparateurs de la vanille et du cacao, la réalisation de vastes campagnes de sensibilisation sur la qualité et de formation aux bonnes pratiques. En dehors d'initiatives menées dans le cadre d'opérations contractualisées avec un opérateur privé, les résultats sont cependant demeurés limités car l'organisation des circuits de commercialisation ne favorise pas une rémunération de l'effort de qualité.</p> <p><i>Source : Rapport Stabex 2010</i></p>
<b>MG</b>	<p>Les objectifs spécifiques du projet AFAKA, portant sur 7 communes du district de Mahanoro et 10 communes du district de Vatomandry, consistaient dans la mise en place d'un modèle de commercialisation, des structures sociales et la mise à disposition des compétences techniques (éprouvés) permettant la relance de trois filières d'exportation : café, girofle, poivre.</p> <p>Les résultats attendus étaient :</p> <p>Résultat 1 : Un système de production de jeunes plants, de diffusion de technique de production</p> <p>Résultat 2 : Une démarche de planification de l'extension de surfaces plantées en culture de rente</p> <p>Résultat 3 : Un processus d'amélioration de la qualité des produits mis sur le marché</p> <p>Résultat 4 : Un modèle d'organisation de marché assurant la concurrence, la transparence et l'équité</p> <p>L'évaluation conclut que la durée de vie de 29 mois du projet ne lui permettait pas d'atteindre ces résultats. Par contre, le projet a pu mettre en place une base solide pour une future augmentation de la production de girofle, café, poivre notamment en termes de quantité et qualité :</p> <ul style="list-style-type: none"> <li>• L'existence d'un système de fournitures de matériels végétal, à travers les pépinières privées villageois qui est tirés par la présence d'une demande des jeunes plants par les autres producteurs</li> <li>• L'existence d'un système de vulgarisation « Paysan à Paysan » à travers des Paysans Leaders motivés disposant de connaissances nécessaires en matière de</li> </ul>

	<p>techniques culturelles et techniques d'encadrement.</p> <ul style="list-style-type: none"> <li>• La structuration des producteurs en OPC en matière de commercialisation mais qui se trouve encore au stade de démarrage</li> <li>• La gouvernance des 3 filières par les communes en matière de plan d'extension des futures plantations de café, de girofle et de poivre.</li> <li>• Les marchés organisés permettant la réalisation de transactions commerciales transparente mais qui ne traitent qu'une très faible fraction de la production totale de la zone couverte par le projet.</li> </ul> <p><i>Source : Projet AFAKA Mahanoro-Vatomandry, Mission d'évaluation finale</i></p>
<b>MG</b>	<p>Le projet SOAVA, financé sur fonds Stabex et mis en œuvre par l'ONG Association Intercoopération Madagascar (AIM) couvrait 14 Communes du district de Mananara Nord et environ 16.200 petits agriculteurs familiaux pratiquant des cultures d'exportation (vanille girofle, café) en complément de cultures vivrières.</p> <p>Les résultats attendus du projet étaient les suivants :</p> <ul style="list-style-type: none"> <li>- Résultat 1 : La productivité des facteurs de production des ménages ruraux est augmentée de manière durable ;</li> <li>- Résultat 2 : Les produits répondent aux normes de qualité des marchés nationaux et internationaux ;</li> <li>- Résultat 3 : Les marchés intérieurs des produits d'exportation fonctionnent de manière concurrentielle et au bénéfice des producteurs ;</li> <li>- Résultat 4 : De nouveaux marchés de niche sont identifiés et exploités.</li> </ul> <p>AIM a adopté comme approche de mise en œuvre de ces deux projets la collaboration et l'interaction entre les trois pôles d'acteurs de ces filières d'exportation : (i) les producteurs à la base, (ii) les collecteurs locaux en contact direct avec les producteurs et (iii) les autorités locales responsables de la mise en place d'un cadre favorable.</p> <p>Selon l'évaluation finale du projet, les résultats suivants ont été obtenus :</p> <p>Résultat 1 : Productivité des facteurs de production</p> <ul style="list-style-type: none"> <li>• Des intrants de qualité ont été mis à la disposition des producteurs (établissement de pépiniéristes, production de plants de girofliers)</li> <li>• Les techniques culturelles ont été améliorées</li> <li>• Les terroirs communaux sont mieux exploités (plantations d'acacias et eucalyptus)</li> </ul> <p>Résultat 2 : Les produits répondant aux normes de qualité des marchés nationaux et internationaux</p> <ul style="list-style-type: none"> <li>• Regroupement des producteurs professionnels</li> <li>• Application des techniques de post récolte</li> <li>• Mise en place des alambics modernes</li> <li>• Mise en fonctionnement de service de contrôle (poinçonnage des plants de vanille)</li> </ul> <p>Résultat 3 : marchés intérieurs des produits d'exportation</p> <ul style="list-style-type: none"> <li>• 13 marchés organisés ont été établis et sont fonctionnels. 20% de la production totale de vanille dans le District est écoulée sur ces marchés. Sur 88 collecteurs recensés, 29 ont participé à une formation sur la qualité des produits de rente et sont en possession de cartes professionnelles. Mais pour le girofle et le café, les pourcentages des produits vendus sur les marchés communaux par rapport aux productions totales sont très faibles et représentent respectivement 0,1% et 8%.</li> <li>• Mise en œuvre d'un système d'information de marché (SIM) en collaboration avec PPRR (projet FIDA)</li> </ul>



	<ul style="list-style-type: none"> <li>• Capitalisation des expériences (visite-échange avec un autre projet)</li> <li>• Appui aux Communes sur la bonne Gouvernance</li> </ul> <p>Résultat 4 : Marchés de niche</p> <p>Les groupements producteurs d'huile essentielle de girofle sont entrés en relations commerciales avec l'entreprise suisse Givaudan, qui est engagée dans une démarche d'approvisionnement à la source, et de rémunération équitable des produits</p> <p>L'évaluation conclut que l'approche multi-acteurs : collaboration pratique entre producteurs, autorités locales et secteur privé pour développer les filières girofle et vanille, initiée et développée par AIM témoigne de l'efficacité du projet traduite par les premiers effets positifs constatés et ce, malgré le temps imparti très limité pour assurer la durabilité des acquis et des effets.</p> <p><i>Source : Evaluation finale du projet SOAVA</i></p>
<b>I.4.2.4</b>	Commission support contributed to improve infrastructures (e.g. feeder roads) related to agricultural commodity production, collection and processing
<b>TZ</b>	<p>An important element of the support to the coffee sector in TZ has been on roads. Out of a total of €46 million provided under FMO 94-99 for Coffee, €11.3 million concerned the rehabilitation of priority rural roads in coffee producing areas.</p> <p>A feasibility study was done before the building of roads in the regions which benefitted from the STABEX funds to that purpose but there is no information ex post on the increase of traded agricultural products and revenue of farmers due to the building of the roads.</p> <p><i>Sources: MN629, Annual Report Stabex Programmes 2010.</i></p>
<b>UG</b>	<p>What MinAgri expects from donors is infrastructure: agricultural infrastructure (e.g. development of post-harvest like washed coffee and storage capacities). We produce 2 million tons coffee; all of it comes on the market at the same time pushing the price down. Storage would allow farmers to negotiate the price of their coffee deliveries and the consumer would get maize at a good price.</p> <p>(Source: MN304)</p>
<b>CM</b>	<p>In Cameroon, the EU support has also been directed to infrastructure, including roads. However these roads were transnational ones, rather than feeder roads which would be more directly aimed at improving market access for farmers. Furthermore, stakeholders stressed the urgent need for improvement of infrastructures in order to make the sectors of coffee and cocoa more competitive (although roads have received significant funds in the past through Stabex).</p> <p><i>Source : MN 913</i></p>
<b>I.4.2.5</b>	Commission support contributed to improve the collection and processing of agricultural commodities
<b>ACP-ACP</b>	<p>Under the All ACP Programme, the World Bank has supported the production/processing of coffee through the following activity: "<a href="#">2.CEN.D01 - Support to specialty coffee production and marketing in Cameroon</a>". \$ 120,000 of out \$ 399,000 has been disbursed to date (30 June 2011).</p> <p>The overall objective is to introduce the fully-washed process to the coffee industry in Cameroun (particularly for robusta coffee, which is a novelty in Cameroun whose coffee production is over 90% robusta), through the piloting of the compact eco-pulping technology (Colombia-made Penagos machines) in both arabica and robusta</p>

	<p>coffee areas. Four sites have been earmarked for the tests, at Belo and Bandjoun for arabica coffee, Chede and Angossas for robusta coffee. It is recalled that these activities are being conducted in close cooperation with ITC which is ensuring training activities aimed at reaching the quality level required to qualify for 'specialty' coffee niche markets.</p> <p>Outputs: The first coffee crop (2010-11) at the four sites where the compact wet milling equipment has been installed. Due to the procurement delays, particularly in the contracting for the construction of sheds to house the CPU machines, the installed eco-pulping machines could only be partially used in this first coffee season, resulting in the production of modest tonnages of fully washed coffee. A commercial quantity was only produced at Chede (robusta area), 1800kg cherry coffee was processed into 800 kg clean coffee. Samples of this washed robusta coffee were well received at the EAFCA coffee fair, which augurs well for the next season when commercial quantities should be produced at the four sites. The technical hitches that appeared during the running in of the equipment in season 2010/11 have been fixed thanks to after sale visits by the Penagos representative, and sufficient water supply at Belo and Angossas is now ensured.</p> <p>The first Steering Committee of the fully washed coffee project was finally held on June 8th, which gave CABI, the implementing agency recruited by WB-SD, an opportunity to present the 2010/11 complete coffee season report. The report was discussed at length by SC members and discussions held to plan the way forward with the next season. The CABI report is annexed to the present six-monthly report.</p> <p><i>Source: WB-Sustainable Development Network (WB-SDN), 6 Monthly progress report of the All ACP programme for the period from January to June 2011 and Programme operational activity report, 28 July 2011</i></p>
<b>CM</b>	<p>In Cameroon, the EU support has also been directed to infrastructure, including roads. However these roads were transnational ones, rather than feeder roads which would be more directly aimed at improving market access for farmers. Furthermore, stakeholders stressed the urgent need for improvement of infrastructures in order to make the sectors of coffee and cocoa more competitive (although roads have received significant funds in the past through Stabex). <i>Source : MN 913</i></p> <p>Within the PASAPE programme, the EC also supports agro-industries such as coffee roasting factories. The programme aims to support the upgrading of the country's industries in the framework of the EPA negotiations. <i>Source : MN 971</i></p>
<b>MG</b>	<p>Le programme Stabex a constitué un des rares et importants efforts significatifs d'investissement publics à Madagascar pour la relance des secteurs des cultures de rente en collaboration directe avec les producteurs et exportateurs. Le concept « filière » a été développé avec succès pour la vanille, le café et le litchi. Il a permis l'émergence ou le renforcement des organisations professionnelles, le développement et la diffusion de techniques pour débloquer les principaux goulots d'étranglement relatifs à la production, à la transformation et à la mise en marché, et/ou lorsque le potentiel existait, la standardisation des produits et le contrôle de la qualité, la promotion du label d'origine Madagascar, et si nécessaire des appuis pour des révisions réglementaires ou légales à Madagascar et dans l'UE. <i>Source : Cadre d'Obligations Mutuelles 1996-1999</i></p>
<b>MG</b>	<p>Les fonds Stabex ont financé entre fin 2008 et fin 2010, pour un budget total de €4,7 millions, onze projets mis en œuvre par cinq organisations. Chacun des onze projets poursuivait les mêmes objectifs d'accroissement du revenu</p>

	<p>des producteurs par l'augmentation et l'amélioration de l'offre de cinq produits agricoles d'exportation (cacao, café, girofle, poivre, vanille) et par une meilleure valorisation au moment de l'échange.</p> <p>L'augmentation de l'offre des produits devait être le résultat de l'augmentation de la production — résultant elle-même de l'extension des surfaces consacrées à ces cultures et de l'amélioration de la productivité des exploitations.</p> <p>Parallèlement, à ces actions d'augmentation de l'offre les actions d'amélioration de la qualité des produits mis en vente avaient également pour objet d'assurer une meilleure rémunération des producteurs. L'amélioration de la valorisation devait être le résultat d'une mise en adéquation de la demande exprimée par les acheteurs et de l'offre résultant des actions du programme.</p> <p>Un nouveau mécanisme de mise en vente —la vente publique sur les marchés communaux, lors de la première transaction de la chaîne des échanges — devait être celui par lequel les exigences des acheteurs seraient communiquées aux producteurs.</p> <p><i>Source : Assistance Technique à la mise en œuvre du programme d'intensification et de structuration des principales filières d'exportation de produits agricoles à Madagascar, Rapport final</i></p>
<b>MG</b>	<p>Depuis 2008, la Délégation a étendu ses appuis vers l'aval (commercialisation et transformation) afin d'améliorer la qualité dans une optique de diversification et de compétitivité (Source : MN 801). Les appuis sont donc également centrés sur l'organisation du marché et la commercialisation. 11 projets ont été sélectionnés sur appel à propositions (café, vanille, girofle, poivre, cacao) avec en outre un <u>volet appui à la production</u> (CTHT, CNCC,...) et un <u>volet qualité</u> (formation, sensibilisation, petit matériel) mais également un <u>volet organisation des marchés au niveau des communes</u> (ce qui a le moins bien marché car ce volet est très complexe à mettre en œuvre étant donné le contexte institutionnel et la concurrence des acheteurs itinérants). (Source : MN 802).</p>
<b>MG</b>	<p>L'évaluation du programme d'intensification des principales filières d'exportation (TRANSTEC, analyse ECOFIN, 2007), mis en œuvre par des organisations professionnelles (le Groupement des Entrepreneurs de la Sava – GES/SAVA – le Centre Technique Horticole de Tamatave – CTHT – et le Comité National de Commercialisation du Café - CNCC), a montré un bilan relativement mitigé des actions entreprises, dont l'efficacité et l'efficacités seraient compromises par l'organisation défaillante de la commercialisation des produits. Celle-ci ne permet pas de promouvoir la qualité ni la mise en conformité avec la réglementation sanitaire du commerce international.</p> <p>A la suite de ce constat, les fonds Stabex encore disponibles ont été alloués au financement d'un programme dont l'objectif est de proposer des modalités pratiques d'organisation des marchés des principaux produits d'exportation, prenant en compte les exigences sanitaires et commerciales des clients finaux.</p> <p><i>Source : Projet d'appui aux filières d'exportation dans le district de Soaniera Ivongo, Synthèse de Projet</i></p>
<b>MG</b>	<p>Le Comité de Suivi STABEX a pris la décision d'orienter les financements du programme d'intensification et de structuration des filières vers l'appui aux initiatives des collectivités locales pour l'organisation de marchés intérieurs publics. En régulant l'adéquation entre l'offre intérieure et la demande extérieure en produits d'exportation, ceux-ci devraient permettre de conduire à un accroissement de l'offre de produits de qualité et contribuer ainsi à l'augmentation des revenus des producteurs. A cet effet, un appel à propositions ouvert a été lancé en 2008 et 11 projets approuvés pour un montant total de 4 681 431 €. A travers ces projets, 12</p>

	<p>districts sont visés et cinq filières agricoles d'exportation, à savoir vanille, café, girofle, cacao et poivre. En parallèle, une assistance technique a été mise en place pour identifier les exigences des traders et clients finaux en matière de qualité, animer l'échange d'expérience, évaluer l'efficacité des mesures prises et capitaliser l'expérience ainsi acquise.</p> <p>Près de 400 groupements paysans de base, localisés dans 120 communes, ont bénéficié de l'appui de ce programme, articulés autour de trois volets, visant respectivement à l'accroissement de la production, l'amélioration de la qualité des produits et l'amélioration des conditions de mise en marché. <i>Source : Rapport Stabex 2010</i></p>
<b>UG</b>	<p>Yes, both with EDF and Stabex Funds.</p> <p>The EC supported through EDF the GoU agricultural strategy in 2001 (PMA-plan for Modernization of Agriculture), which benefited among others crops to agricultural commodities, of which coffee. The EC support to PMA focussed on research and extension with a view of improving the competitiveness of the agricultural sector (Source: MN 301). The <u>PMA also included a component on marketing and agro-processing</u>. A sub-committee on agricultural marketing and processing was established, but this component of the PMA was hardly implemented (Source: MN 302).</p> <p>Through the Coffee Farmers Alliance support project the EC supported by Stabex, farmer organizations which enhanced the capacity of the coffee sector to meet the market requirements <u>in terms of quality and quantity</u> were established at village, parish and national levels. Indeed, 24 Depot Committees (parish level) have been registered as Companies and carry out primary processing and deliver hulled green coffee directly to exporters in Kampala (Source: MN 308).</p>
<b>UG</b>	<p>A significant amount of effort was also expended by the Kaweri Coffee Farmers' Alliance Support project on working with farmers to improve the quality of their coffee, including the use of tarpaulins for coffee drying and hand-hullers at each DC. An improvement in the quality of the FAQ (Fair Average Quality) has been reported throughout the project area, with traders willing to pay a premium for "Kaweri" coffee. <i>Source: Evaluation of the Kaweri Farmers' Alliance Support Project</i></p>
<b>MG</b>	<p>Le projet SOAVA, financé sur fonds Stabex et mis en œuvre par l'ONG Association Intercoopération Madagascar (AIM) couvrait 14 Communes du district de Mananara Nord et environ 16.200 petits agriculteurs familiaux pratiquant des cultures d'exportation (vanille girofle, café) en complément de cultures vivrières.</p> <p>Les résultats attendus du projet étaient les suivants :</p> <ul style="list-style-type: none"> <li>- Résultat 1 : La productivité des facteurs de production des ménages ruraux est augmentée de manière durable ;</li> <li>- Résultat 2 : Les produits répondent aux normes de qualité des marchés nationaux et internationaux ;</li> <li>- Résultat 3 : Les marchés intérieurs des produits d'exportation fonctionnent de manière concurrentielle et au bénéfice des producteurs ;</li> <li>- Résultat 4 : De nouveaux marchés de niche sont identifiés et exploités.</li> </ul> <p>AIM a adopté comme approche de mise en œuvre de ces deux projets la collaboration et l'interaction entre les trois pôles d'acteurs de ces filières d'exportation : (i) les producteurs à la base, (ii) les collecteurs locaux en contact direct avec les producteurs et (iii) les autorités locales responsables de la mise en</p>

	<p>place d'un cadre favorable.</p> <p>Selon l'évaluation finale du projet, les résultats suivants ont été obtenus :</p> <p>Résultat 1 : Productivité des facteurs de production</p> <ul style="list-style-type: none"> <li>• Des intrants de qualité ont été mis à la disposition des producteurs (établissement de pépiniéristes, production de plants de girofliers)</li> <li>• Les techniques culturales ont été améliorées</li> <li>• Les terroirs communaux sont mieux exploités (plantations d'acacias et eucalyptus)</li> </ul> <p>Résultat 2 : Les produits répondant aux normes de qualité des marchés nationaux et internationaux</p> <ul style="list-style-type: none"> <li>• Regroupement des producteurs professionnels</li> <li>• Application des techniques de post récolte</li> <li>• Mise en place des alambics modernes</li> <li>• Mise en fonctionnement de service de contrôle (poinçonnage des plants de vanille)</li> </ul> <p>Résultat 3 : marchés intérieurs des produits d'exportation</p> <ul style="list-style-type: none"> <li>• 13 marchés organisés ont été établis et sont fonctionnels. 20% de la production totale de vanille dans le District est écoulee sur ces marchés. Sur 88 collecteurs recensés, 29 ont participé à une formation sur la qualité des produits de rente et sont en possession de cartes professionnelles. Mais pour le girofle et le café, les pourcentages des produits vendus sur les marchés communaux par rapport aux productions totales sont très faibles et représentent respectivement 0,1% et 8%.</li> <li>• Mise en œuvre d'un système d'information de marché (SIM) en collaboration avec PPRR (projet FIDA)</li> <li>• Capitalisation des expériences (visite-échange avec un autre projet)</li> <li>• Appui aux Communes sur la bonne Gouvernance</li> </ul> <p>Résultat 4 : Marchés de niche</p> <p>Les groupements producteurs d'huile essentielle de girofle sont entrés en relations commerciales avec l'entreprise suisse Givaudan, qui est engagée dans une démarche d'approvisionnement à la source, et de rémunération équitable des produits</p> <p>L'évaluation conclut que l'approche multi-acteurs : collaboration pratique entre producteurs, autorités locales et secteur privé pour développer les filières girofle et vanille, initiée et développée par AIM témoigne de l'efficacité du projet traduite par les premiers effets positifs constatés et ce, malgré le temps imparti très limité pour assurer la durabilité des acquis et des effets.</p> <p><i>Source : Evaluation finale du projet SOAVA</i></p>
<b>MG</b>	<p>Les objectifs spécifiques du projet AFAKA, portant sur 7 communes du district de Mahanoro et 10 communes du district de Vatomaniry, consistaient dans la mise en place d'un modèle de commercialisation, des structures sociales et la mise à disposition des compétences techniques (éprouvés) permettant la relance de trois filières d'exportation : café, girofle, poivre.</p> <p>Les résultats attendus étaient :</p> <p>Résultat 1 : Un système de production de jeunes plants, de diffusion de technique de production</p> <p>Résultat 2 : Une démarche de planification de l'extension de surfaces plantées en culture de rente</p> <p>Résultat 3 : Un processus d'amélioration de la qualité des produits mis sur le marché</p> <p>Résultat 4 : Un modèle d'organisation de marché assurant la concurrence, la transparence et l'équité</p>

	<p>L'évaluation conclut que la durée de vie de 29 mois du projet ne lui permettait pas d'atteindre ces résultats. Par contre, le projet a pu mettre en place une base solide pour une future augmentation de la production de girofle, café, poivre notamment en termes de quantité et qualité :</p> <ul style="list-style-type: none"> <li>• L'existence d'un système de fournitures de matériels végétal, à travers les pépinières privées villageois qui est tirés par la présence d'une demande des jeunes plants par les autres producteurs</li> <li>• L'existence d'un système de vulgarisation « Paysan à Paysan » à travers des Paysans Leaders motivés disposant de connaissances nécessaires en matière de techniques culturales et techniques d'encadrement.</li> <li>• La structuration des producteurs en OPC en matière de commercialisation mais qui se trouve encore au stade de démarrage</li> <li>• La gouvernance des 3 filières par les communes en matière de plan d'extension des futures plantations de café, de girofle et de poivre.</li> <li>• Les marchés organisés permettant la réalisation de transactions commerciales transparente mais qui ne traitent qu'une très faible fraction de la production totale de la zone couverte par le projet.</li> </ul> <p><i>Source : Projet AFAKA Mahanoro-Vatomandry, Mission d'évaluation finale</i></p>
<b>J.4.3</b>	<b><i>Commission support has contributed to improve the capacity of producers to respond to commodity market requirements</i></b>
<b>TZ</b>	<p>The interventions financed by the Commission have contributed to improve the quality of agricultural products, especially in the cotton sector where the measurement of the quality of cotton has been launched at regional level.</p> <p>Price mechanisms and information about the price to smallholders are still major issues at stake in the tea sector, while for the coffee sector there is a system to communicate market information from the Moshi auction.</p> <p>There is no evidence that the EC support has contributed to increase the number of producers' organisation, except in the tea sector. In that sector, it is reported that the number of association members, which produce tea in the surroundings of the tea research institute, has grown from 174 to 590.</p> <p>A lot of questions are raised about the issue of sustainability in all the sectors supported by the EC. For example, there is still a need to continue to support the research centres and extension services. In addition, a lot of constraints are met in all the sectors (access to inputs, quality of the products, how to finance the production, etc.).</p>
<b>UG</b>	<p>Through the Coffee Farmers Alliance support project the EC supported the establishment at village, parish and national level of farmer organizations which enhanced the capacity of the coffee sector to meet the market requirements in terms of quality and quantity.</p> <p>Research and extension, supported by the EC, only contribute to a better response to market requirements if there is a demand from the farmers. There are such examples for bananas and cassava.</p>
<b>I.4.3.1</b>	Commission support contributed to improve availability and use of market information and advisory services to producer organisations/producers (e.g. agricultural commodity prices, quality standards, packaging, timely delivery, etc.) at national and regional level
<b>CM</b>	In Cameroon, the PACCIC programme (Programme d'Appui au Conseil

	<p>Interprofessionel Café-Cacao) had an activity on improving market information, by providing daily market prices in different regions of Cameroon for producers. The information is sent to them by text message on cellular phones. The same programme also provided information to have grouped supply and to inform buyers. <i>Source : MN 913</i></p>
<b>MG</b>	<p>Le programme Stabex a constitué un des rares et importants efforts significatifs d'investissement publics à Madagascar pour la relance des secteurs des cultures de rente en collaboration directe avec les producteurs et exportateurs. Le concept « filière » a été développé avec succès pour la vanille, le café et le litchi. Il a permis l'émergence ou le renforcement des organisations professionnelles, le développement et la diffusion de techniques pour débloquer les principaux goulots d'étranglement relatifs à la production, à la transformation et à la mise en marché, et/ou lorsque le potentiel existait, la standardisation des produits et le contrôle de la qualité, la promotion du label d'origine Madagascar, et si nécessaire des appuis pour des révisions réglementaires ou légales à Madagascar et dans l'UE. <i>Source : Cadre d'Obligations Mutuelles 1996-1999</i></p>
<b>MG</b>	<p>Les fonds Stabex ont financé entre fin 2008 et fin 2010, pour un budget total de €4,7 millions, onze projets mis en œuvre par cinq organisations. Chacun des onze projets poursuivait les mêmes objectifs d'accroissement du revenu des producteurs par l'augmentation et l'amélioration de l'offre de cinq produits agricoles d'exportation (cacao, café, girofle, poivre, vanille) et par une meilleure valorisation au moment de l'échange. L'augmentation de l'offre des produits devait être le résultat de l'augmentation de la production — résultant elle-même de l'extension des surfaces consacrées à ces cultures et de l'amélioration de la productivité des exploitations. Parallèlement, à ces actions d'augmentation de l'offre les actions d'amélioration de la qualité des produits mis en vente avaient également pour objet d'assurer une meilleure rémunération des producteurs. L'amélioration de la valorisation devait être le résultat d'une mise en adéquation de la demande exprimée par les acheteurs et de l'offre résultant des actions du programme. Un nouveau mécanisme de mise en vente —la vente publique sur les marchés communaux, lors de la première transaction de la chaîne des échanges — devait être celui par lequel les exigences des acheteurs seraient communiquées aux producteurs. <i>Source : Assistance Technique à la mise en œuvre du programme d'intensification et de structuration des principales filières d'exportation de produits agricoles à Madagascar, Rapport final</i></p>
<b>TZ</b>	<p>The EC did not support Tanzania Coffee Board. However this Board plays key role in the field of coffee quality and marketing. In fact, the Board carries out different activities:</p> <ul style="list-style-type: none"> <li>▪ Dealing with market regulation</li> <li>▪ Promoting the production</li> <li>▪ Promoting the coffee quality</li> </ul> <p>The Board is charged to advise the Government about what to do in terms of support. The marketing role is to set rules to advice marketing systems to benefit producers (win-win situation). The Board supervised coffee trade and observe and monitor the value chain (obstructions? What is happening?) The Board also deliver licences to traders and provide the platform to sell-buy coffee: it is the Moshi's auction. The Board verifies if Tanzanian coffee respect quality standards and the preparation of stocks to be traded on the international market. The Board monitor prices (cf. its</p>

	<p>website) on basis of the international markets (London). World market price is provided on Wednesday's and the Moshi's auction is held on Thursday's. The Board provide market information to producers through email and phone calls to allow them to decide to sell or not their production on the market.</p> <p>The Board make quality analysis of the coffee production samples and provide certificate for storage. There is a very strong demand for coffee but Tanzania can not address this demand. The coffee quality has increased since the last 10 years, notably due to the support of exporters. Around 15% of the products which pass through the auction has been certified (organic, UTZ, coffee practices, 4C certification, etc.)</p> <p><i>Source: MN 658</i></p>
<b>MG</b>	<p>Les différentes industries — du cacao, du café, du girofle, du poivre et de la vanille — à Madagascar, ne sont que très faiblement structurées. Une 'appropriation' des objectifs et résultats du programme STABEX, ou des recommandations de l'assistance technique d'appui, ne peut donc être le fait que de structures fugaces, comme les projets, ou de structures qui ne sont pas directement concernées—i.e., directement 'intéressées'—par les améliorations recherchées: celles de l'Etat malgache.</p> <p><i>Source : Assistance Technique à la mise en œuvre du programme d'intensification et de structuration des principales filières d'exportation de produits agricoles à Madagascar, Rapport final</i></p>
<b>MG</b>	<p>Ces dimensions ont été prises en compte à travers l'organisation de marché (avec pour objectif d'assurer aux exportateurs un approvisionnement de volumes significatifs en produits de qualité contrôlée) dans certaines interventions <u>au niveau local</u> dont celles d'AIM (Association Intercoopération Madagascar) financé sous Stabex avec 4 résultats : augmenter la production / améliorer la qualité des produits (en partant des semences) / <u>organiser le marché local</u> / développer la vanille bio. Les objectifs étaient les mêmes pour la vanille, le girofle et le café dans deux districts, l'un principalement vanille et l'autre girofle. Le café intéresse beaucoup moins les paysans de la région. (Source : MN 806).</p> <p>Néanmoins, ce projet AIM est une « exception » (qui par ailleurs est strictement locale et n'est pas répliquée dans d'autres zones) étant donné que la durabilité de tels projets est généralement « nulle » après l'arrêt des financements (Source : MN 802).</p>
<b>MG</b>	<p>Concernant la filière <u>café</u>, le programme d'appui à cette filière, mis en œuvre par le Comité National de Commercialisation de Café (CNCC), est recentré sur l'appui à l'amélioration du potentiel de production et au renforcement des capacités des acteurs, pour l'amélioration de la qualité dans un contexte de production tournée vers le marché, notamment la valorisation du café de qualité issu d'un système de production et de commercialisation normalisé.</p> <p><i>Source : Rapport annuel Stabex 2006</i></p>
<b>MG</b>	<p>Au terme des 15 premiers mois de mise en œuvre du programme Stabex en appui à l'intensification de la production et la structuration des filières (sur une durée totale de 27 mois), une trentaine de marchés physiques ont pu être mis en place et ont offert des services de contrôle de l'humidité, certification, pesée,... Toutefois, les volumes des produits transitant ces marchés sont encore faibles : 193 tonnes de café, 29 tonnes de girofle et 3,4 tonnes de vanille, pour la campagne 2009/2010, avec des prix fixés en fonction de la qualité ou de la catégorie de produit. Aucun marché de la vanille préparée n'a pu être organisé dans les districts d'Antalaha et Sambava car la fixation d'un prix plancher par l'Etat a eu l'effet contraire à celui attendu (perte de compétitivité des exportations malgaches par rapport aux pays concurrents et démotivation des producteurs face à la mévente de la vanille). A cela s'ajoute, dans</p>



	<p>certaines communes, la non implication des responsables communaux, notamment pour l'adoption des réglementations concernant la commercialisation des produits sur les marchés créés compte tenu du contexte sociopolitique.</p> <p><i>Source : Rapport Stabex 2009</i></p>
<b>MG</b>	<p>Le projet SOAVA, financé sur fonds Stabex et mis en œuvre par l'ONG Association Intercoopération Madagascar (AIM) couvrait 14 Communes du district de Mananara Nord et environ 16.200 petits agriculteurs familiaux pratiquant des cultures d'exportation (vanille girofle, café) en complément de cultures vivrières.</p> <p>Les résultats attendus du projet étaient les suivants :</p> <ul style="list-style-type: none"> <li>- Résultat 1 : La productivité des facteurs de production des ménages ruraux est augmentée de manière durable ;</li> <li>- Résultat 2 : Les produits répondent aux normes de qualité des marchés nationaux et internationaux ;</li> <li>- Résultat 3 : Les marchés intérieurs des produits d'exportation fonctionnent de manière concurrentielle et au bénéfice des producteurs ;</li> <li>- Résultat 4 : De nouveaux marchés de niche sont identifiés et exploités.</li> </ul> <p>AIM a adopté comme approche de mise en œuvre de ces deux projets la collaboration et l'interaction entre les trois pôles d'acteurs de ces filières d'exportation : (i) les producteurs à la base, (ii) les collecteurs locaux en contact direct avec les producteurs et (iii) les autorités locales responsables de la mise en place d'un cadre favorable.</p> <p>Selon l'évaluation finale du projet, les résultats suivants ont été obtenus :</p> <p>Résultat 1 : Productivité des facteurs de production</p> <ul style="list-style-type: none"> <li>• Des intrants de qualité ont été mis à la disposition des producteurs (établissement de pépiniéristes, production de plants de girofliers)</li> <li>• Les techniques culturales ont été améliorées</li> <li>• Les terroirs communaux sont mieux exploités (plantations d'acacias et eucalyptus)</li> </ul> <p>Résultat 2 : Les produits répondant aux normes de qualité des marchés nationaux et internationaux</p> <ul style="list-style-type: none"> <li>• Regroupement des producteurs professionnels</li> <li>• Application des techniques de post récolte</li> <li>• Mise en place des alambics modernes</li> <li>• Mise en fonctionnement de service de contrôle (poinçonnage des plants de vanille)</li> </ul> <p>Résultat 3 : marchés intérieurs des produits d'exportation</p> <ul style="list-style-type: none"> <li>• 13 marchés organisés ont été établis et sont fonctionnels. 20% de la production totale de vanille dans le District est écoulée sur ces marchés. Sur 88 collecteurs recensés, 29 ont participé à une formation sur la qualité des produits de rente et sont en possession de cartes professionnelles. Mais pour le girofle et le café, les pourcentages des produits vendus sur les marchés communaux par rapport aux productions totales sont très faibles et représentent respectivement 0,1% et 8%.</li> <li>• Mise en œuvre d'un système d'information de marché (SIM) en collaboration avec PPRR (projet FIDA)</li> <li>• Capitalisation des expériences (visite-échange avec un autre projet)</li> <li>• Appui aux Communes sur la bonne Gouvernance</li> </ul> <p>Résultat 4 : Marchés de niche</p> <p>Les groupements producteurs d'huile essentielle de girofle sont entrés en relations commerciales avec l'entreprise suisse Givaudan, qui est engagée dans une démarche</p>

	<p>d'approvisionnement à la source, et de rémunération équitable des produits</p> <p>L'évaluation conclut que l'approche multi-acteurs : collaboration pratique entre producteurs, autorités locales et secteur privé pour développer les filières girofle et vanille, initiée et développée par AIM témoigne de l'efficacité du projet traduite par les premiers effets positifs constatés et ce, malgré le temps imparti très limité pour assurer la durabilité des acquis et des effets.</p> <p><i>Source : Evaluation finale du projet SOAVA</i></p>
<b>MG</b>	<p>Les objectifs spécifiques du projet AFAKA, portant sur 7 communes du district de Mahanoro et 10 communes du district de Vatomandry, consistaient dans la mise en place d'un modèle de commercialisation, des structures sociales et la mise à disposition des compétences techniques (éprouvés) permettant la relance de trois filières d'exportation : café, girofle, poivre.</p> <p>Les résultats attendus étaient :</p> <p>Résultat 1 : Un système de production de jeunes plants, de diffusion de technique de production</p> <p>Résultat 2 : Une démarche de planification de l'extension de surfaces plantées en culture de rente</p> <p>Résultat 3 : Un processus d'amélioration de la qualité des produits mis sur le marché</p> <p>Résultat 4 : Un modèle d'organisation de marché assurant la concurrence, la transparence et l'équité</p> <p>L'évaluation conclut que la durée de vie de 29 mois du projet ne lui permettait pas d'atteindre ces résultats. Par contre, le projet a pu mettre en place une base solide pour une future augmentation de la production de girofle, café, poivre notamment en termes de quantité et qualité :</p> <ul style="list-style-type: none"> <li>• L'existence d'un système de fournitures de matériels végétal, à travers les pépinières privées villageois qui est tirés par la présence d'une demande des jeunes plants par les autres producteurs</li> <li>• L'existence d'un système de vulgarisation « Paysan à Paysan » à travers des Paysans Leaders motivés disposant de connaissances nécessaires en matière de techniques culturelles et techniques d'encadrement.</li> <li>• La structuration des producteurs en OPC en matière de commercialisation mais qui se trouve encore au stade de démarrage</li> <li>• La gouvernance des 3 filières par les communes en matière de plan d'extension des futures plantations de café, de girofle et de poivre.</li> <li>• Les marchés organisés permettant la réalisation de transactions commerciales transparente mais qui ne traitent qu'une très faible fraction de la production totale de la zone couverte par le projet.</li> </ul> <p><i>Source : Projet AFAKA Mahanoro-Vatomandry, Mission d'évaluation finale</i></p>
<b>I.4.3.2</b>	<p>Commission supported interventions contributed to an increased number of producers/ producer organisations having direct contracts with supermarket chains and/or are certified with a label</p>
<b>ACP-ACP</b>	<p>Under the All ACP programme, the CFC has supported the label certification in the coffee sector (2.ESA.F02):</p> <ul style="list-style-type: none"> <li>▪ Training of master trainers completed in May 2011. A total of thirty-nine (39) master trainers from nine (9) countries were trained. The training manual posted on the EAFCA website under the CFC/ICO web page (<a href="http://www.eafca.org">www.eafca.org</a>).</li> <li>▪ MoUs have been signed with the responsible coffee development institutions in all 9 participating countries, and activities are now implemented in all countries with full Government endorsement and support;</li> </ul>

	<ul style="list-style-type: none"> <li>▪ The project baseline surveys have been concluded in Zambia, Zimbabwe, Malawi, Uganda and Burundi. Surveys are on-going in the rest of the participating countries: Kenya, Ethiopia, Tanzania and Rwanda;</li> <li>▪ Project activities were presented at the 8th African Fine Coffee Conference and Exhibition (8th AFCC&amp;E) held in Arusha, Tanzania, from 17th to 19th February. Other promotional activities were undertaken at the ISEAL2011 Conference in Zurich, Switzerland and at the Specialty Coffee Association of Europe (SCAE) held in Maastricht, Netherlands from 22nd to 24th June 2011. The project activities will also been showcased at the Specialty Coffee Association of Japan (SCAJ) in September 2011. The participation at these events is tailored to provide significant visibility to the activities of the project. The information on the project is reported regularly on the website of EAFCA.</li> </ul> <p><i>Source: Common Fund For Commodities (CFC), 6 Monthly progress report of the All ACP programme for the period from January to June 2011 and Programme operational activity report, 27 July 2011</i></p>
<b>TZ</b>	<p>There is no evidence that the EC support has contributed to increase the number of producers' organisation. However, you need to have a minimum volume/ quantity to sell your coffee through the Moshi's auction. That is why producers are organised in cooperatives. The majority of the producers are organised in cooperatives.</p> <p><i>Source: MN 677</i></p>
<b>UG</b>	<p>Mixed. Through the Coffee Farmers Alliance support project the EC supported by Stabex, farmer organizations which enhanced the capacity of the coffee sector to meet the market requirements <u>in terms of quality and quantity</u> were established at village, parish and national levels. Indeed, 24 Depot Committees (parish level) have been registered as Companies and <u>carry out primary processing and deliver hulled green coffee directly to exporters in Kampala</u> (Source: MN 308).</p> <p>Nevertheless, there is no evidence regarding direct contracts with supermarket chains and/or are certified with a label.</p>
<b>I.4.3.3</b>	<p>Commission supported interventions contributed to an increased number of producers/ producer organisations being coordinated at national and regional levels</p>
<b>CM</b>	<p>In Cameroon, the PACCIC programme (Programme d'Appui au Conseil Interprofessionnel Café-Cacao) which benefitted from EU funding allowed to regroup all coffee and cocoa producers (estimated to be 600 000) in one organisation.</p> <p><i>Source : MN 913</i></p>
<b>UG</b>	<p>Yes. Through the Coffee Farmers Alliance support project the EC supported by Stabex, <u>farmer organizations</u> which enhanced the capacity of the coffee sector to meet the market requirements in terms of quality and quantity were established at <u>village, parish and national levels</u>.</p>
<b>UG</b>	<p>Approximately 14,600 smallholder farmers were registered with the project and grouped into 443 Producer Organisations (PO) that were subsequently transformed into Farmer Field Schools. These were, in turn, organised into 24 farmer organisations know as Depot Committees (DC) which, over the last two years of the project, were transformed into legally-registered companies. They were established to facilitate the provision of agricultural services to their members, to add value to their</p>

	<p>coffee and to access more-remunerative markets. The costs of running the companies were originally met by the project but were increasingly transferred to the companies, such that they are all now virtually self-financing from a levy on the coffee they handle. The project provided intensive and wide-ranging training to those involved in the operations and management of both the companies and their constituent POs. Training was also provided to stockists providing fertilisers and other inputs/tarpaulins to the Alliance farmers throughout the project area.</p> <p>In May 2010, an apex body, the Uganda Coffee Farmers Alliance, was registered as a company to work on behalf of its 24 member companies to seek out remunerative markets, to negotiate realistic transport rates and to lobby on behalf of its members.</p> <p><i>Source: Evaluation of the Kaweri Farmers' Alliance Support Project</i></p>
<b>UG</b>	<p>The Kaweri Coffee Farmers' Alliance Support project also sought to add value to the Kiboko sold by Alliance farmers through processing and improved marketing – it was collected by the Depot Committees (DCs), bulked and then stored prior to processing at nearby coffee factories. By the end of the project, the companies were collaborating to rationalise both the collection of Kiboko and the transportation of the FAQ (Fair Average Quality) to the exporter. Training in support of these activities was provided by the project. In spite of these efforts, a significant volume of Kiboko is still sold for cash through the “informal” market at the farm-gate, due to the need of many for immediate cash. Nevertheless, a significant increase in the proportion of farmers' coffee being sold through the Alliance is projected.</p> <p><i>Source: Evaluation of the Kaweri Farmers' Alliance Support Project</i></p>
<b>I.4.3.6</b>	<p>Evidence that obtained results in terms of increased agricultural production and producers' capacity to respond to commodity market requirements outlast Commission support</p>
<b>TZ</b>	<p>There is an issue in terms of sustainability as far as Stabex funds are concerned. This concerns TACRI.</p> <p>The Tanzania Coffee Research Institute (TACRI) pays salaries of its staff, including TACRI trainers. Coffee producers make a contribution to TACRI: 0.75% of their production sold on the market. In 2010 this was equivalent to around 1 billion TSH (about 455,000 EUR). This seems to be sufficient now to cover operational costs. TACRI has also received additional sources.</p> <p>In 2011, TACRI has been funded through the support of:</p> <ul style="list-style-type: none"> <li>▪ Stakeholders: around 15%</li> <li>▪ The Government of Tanzania: around 5%</li> <li>▪ EU: around 75%</li> </ul> <p>TACRI launched the TACRI Endowment Fund to try to sustain the institution. STABEX contributes to launch this fund (€6 M). Financial managers manage this fund. UK charity is involved.</p> <p>The issue of sustainability is still very important. The Tanzania Coffee Association is analysing options to sustain TACRI and try to define options:</p> <ul style="list-style-type: none"> <li>▪ TACRI counts on the TACRI Endowment Fund to be part of the sustainability strategy of the coffee research in Tanzania.</li> <li>▪ Coffee growers should agree to increase their contribution to sustain coffee research through TACRI.</li> <li>▪ Own resources (e.g. breeding products and short bank term deposits) may serve to sustain the institute</li> <li>▪ The Government should contribute too</li> </ul>

	<ul style="list-style-type: none"> <li>▪ The challenge is also to show results to be able to attract funds among the private sector</li> </ul> <p>Challenges of the Tanzanian coffee sector:</p> <ol style="list-style-type: none"> <li>(1) Productivity. Problems met: moistures, lack of fertilizers. 90% of the coffee production comes from smallholders. They have no means to invest in fertilizers, chemicals, plants, equipment, etc.</li> <li>(2) Pest and diseases</li> <li>(3) Quality improvement. Need to educate farmers and support farmers to invest in equipment to clean berries (water cleaning). Producers do not use clean water to prepare coffee before selling them. They do not have the material due to a lack of resources to buy it. Arabica coffee is a Premium quality coffee (as Colombian coffee) but producers can not sell it with Premium quality because they do not clean coffee properly.</li> <li>(4) Market instability/ volatility of prices. It is difficult to decide to invest as the price is very volatile.</li> </ol> <p>Sources: MN 658, MN 677 and MN 138</p>
CI	<p>Oui mais pas uniquement.</p> <p><u>Secteur café-cacao</u> : La viabilité des opérations se rattache à une organisation professionnelle de la filière efficace, <u>complémentaire d'une action de l'Etat</u> qui assure son rôle de régulation et de contrôle. Une démarche de qualité est la synthèse d'un <u>choix du marché et de normes à respecter</u>. Les paysans prendront en compte l'exigence de qualité et le travail que cela impose uniquement s'ils trouvent une réponse dans le prix qui leur est proposé. (Source : Eval Stabex 2009).</p>
UG	<p>Yes but not only with the increase of agricultural production and producers' capacity to respond to commodity market requirements. <b>All the components of the coffee value chain must be taken into account in the framework of the project in order to ensure sustainability of the project results.</b></p> <p>Indeed, the Kaweri Coffee Farmers Alliance Support Project supported by Stabex has activities dealing with the improvement of productivity and quality but also efficiency of the coffee value chain (improvement of coffee production and better overall farm management, improvement of quality, nursery implementation and <b>organizational development</b>). <b>The biggest challenge</b>: get farmers together and to increase their trust to the project and the creation of farmers' organization: require a long-term work to reach a big mass. (Source: MN 308).</p> <p>The EC highlights that the project approach is very costly and difficult to replicate in other regions. If farmers can support themselves the project, it will mean that the project is sustainable (Source MN 313).</p>
J.4.4	<b><i>Incomes of producers, sector and countries have improved as a result of Commission's support to the implementation of commodity chain strategies</i></b>
CM	<p>According to the ONCC (Office National du Cacao et du Café) and the CICC (Conseil Interprofessionnel Café-Cacao), the trends of coffee production over the past years are the following :</p>

	<i>Source : ONCC-CICC data</i>
<b>TZ</b>	Globally incomes of producers are not assessed in the framework of interventions supported by the Commission. However, some information related to incomes has been noticed in the Stabex evaluation report (2007) for the coffee sector: gross margins improved by up to 264%.
<b>UG</b>	<p>Farmers participating in the Coffee Farmers Alliance support project enjoyed a large increase of their in cash income (multiplied by 2.9 and potentially by 6) thanks to higher yields, better quality and higher selling prices.</p> <p>The benefits of the project extend beyond direct beneficiaries. Rural communities also benefit of it through jobs creation, development of the finance sector, development of the building sector, improvement of the education level, etc.</p> <p>But the limited size of the project (35,000 coffee farmers out of 1.3 million) did not allow for an impact at the national level.</p>
<b>I.4.4.1</b>	Evidence of increased exports (volume and value) of agricultural commodities to regional and international markets, of which in particular the EU
<b>MG</b>	<p>Non pour les deux produits ciblés (<u>vanille et café</u>) (Source : Rapport sur les exportations du secteur agriculture – élevage - pêche en 2009, EU Delegation of Madagascar)</p> <p>« A Madagascar, les exportations du secteur agriculture-élevage-pêche occupent la seconde place, avec 30% du total. Elles ont généré 290 millions USD de recettes en 2009 contre 351 millions USD l'année précédente (-17%). Les exportations de produits animaux (hors pêche) comptent pour moins de 5% du total et sont principalement constituées de cuirs et peaux</p> <p>Huit (8) produits ou catégories de produits représentent à eux seuls 85% de la valeur des exportations du secteur. Leur performance en 2009 dépend plus de facteurs structurels internes ou de l'état des marchés internationaux, que de l'effet de la crise politique qui a marqué le pays depuis le début de l'année.</p> <p>Les exportations <u>de café ont atteint leur plus bas niveau historique</u> avec moins de 3 millions USD. »</p>
<b>UG</b>	No. Although the Kaweri Coffee Farmers Alliance Support Project supported by Stabex is successful (notably in terms of quantity and quality), it reaches only 35,000 farmers out of 1.3 million of coffee “producers”. Although the sector is

	transformed at the regional level when a pool of 35,000 framers are involved (Source: MN 313) the Ugandan coffee production hasn't moved since 50 years according the UCTF (Uganda Coffee Trade Federation): it was estimated at 2.7 million bags in 1964 and it is currently estimated at 2.6 million bags. The latest changes regarding the Ugandan coffee sector are the shift to Arabica production (higher prices than Robusta) and the slow increase of domestic consumption (Source: MN 311).
<b>I.4.4.2</b>	Evidence that foreign exchange earnings at country level have stabilised and increased due to improved performance of agricultural commodity related products in regional and international markets
<b>UG</b>	No such evidence as a result of EC support (see I.4.4.1) but the international prices of coffee has substantially increased over the last years and the foreign exchange earnings have probably increased as a consequence. Indeed, the production value is increasing because of higher prices but the volume is going down (diseases...) (Source: MN 301)
<b>CM</b>	According to an interview with stakeholders of the coffee and cocoa value chains in Cameroon, impacts on the incomes of producers are mostly due to price variations. The programmes undergone in the recent years are very small and would not have influenced the country.  <i>Source : MN 913</i>
<b>I.4.4.3</b>	Evidence that income levels at producer level and within the agricultural sector as a whole have stabilised and increased through: <ul style="list-style-type: none"> <li>▪ The increased competitiveness of the agricultural commodity production</li> <li>▪ A diversification of the sources of income of the agricultural sector through expansion of agricultural commodity value added</li> <li>▪ Higher export earnings</li> </ul>
<b>CM</b>	According to an interview with stakeholders of the coffee and cocoa value chains in Cameroon, impacts on the incomes of producers are mostly due to price variations. Diversification of production is a natural phenomenon for those crops. The producers tend to them if the price is interesting. <i>Source : MN 913</i>
<b>TZ</b>	Incomes from coffee are quite high. Cooperatives however diversify their crops. Producers try to improve the quality of the crops to increase their revenue. In the Fair Trade system, extra coffee revenue paid to the cooperatives may be used to pay children's schools. This up to the decision of every cooperative. <i>Source: MN 690</i>  TACRI has conducted economic studies about the use of new varieties against traditional varieties. This has assessed the return on research investment. Lessons learnt show that new varieties mean profit for producers. A total of four socioeconomic studies were carried out during the 2007-2008 period in four principal Arabica coffee farming districts (Arumeru, Mbinga, Hai and Moshi). These studies have provided lessons learnt about the challenges of smallholder coffee productivity, quality and profitability as far as the economic return of new varieties is concerned, the studies have shown that the gross margin for improved varieties equals in average 1,530,234 TSH against 523,296 TSH for traditional varieties. <i>Source: MN 677</i>
<b>CI</b>	L'étude sur les revenus et les investissements des producteurs de café et de cacao,

	<p>confirment <u>l'appauvrissement progressif et continu des ménages</u> (lié au partage déséquilibré de la marge produite sur le produit, au vieillissement des vergers, et à la dégradation des services de productivité). (Source : Eval Stabex 2009).</p>
<b>UG</b>	<p>Yes, through Stabex projects. For instance, the Kaweri Coffee Farmers Alliance Support Project, with activities regarding the improvement of productivity, quality and efficiency of the coffee value chain (improvement of coffee production and better overall farm management, improvement of quality, nursery implementation and organizational development), had an objective to improve the farmers' income. Indeed, farmers enjoyed a large increase of their in cash income (multiplied by 2.9 and potentially by 6) thanks to higher yields, better quality and higher selling prices.</p> <p>Nevertheless, the major risk for these farmers and the project sustainability remains the decline and the variability coffee prices although some experts forecast that they will remain at a high level because of growing domestic consumption in coffee exporting countries (Source: MN 308).</p>
<b>UG</b>	<p>Yes, through Stabex projects. For instance, the Kaweri Coffee Farmers Alliance Support Project, with activities regarding the improvement of productivity, quality and efficiency of the coffee value chain (improvement of coffee production and better overall farm management, improvement of quality, nursery implementation and organizational development), had an objective to improve the farmers' income. Indeed, farmers enjoyed a large increase of their in cash income (multiplied by 2.9 and potentially by 6) thanks to higher yields, better quality and higher selling prices.</p> <p>Nevertheless, the major risk for these farmers and the project sustainability remains the decline and the variability coffee prices although some experts forecast that they will remain at a high level because of growing domestic consumption in coffee exporting countries (Source: MN 308).</p>
<b>UG</b>	<p>Before the project, total annual coffee income (computed using 09/10 main crop prices) generated by the 15,000 project farmers would have been approximately USD 1.8M. However, with the current production levels, if all the project farmers sold all their coffee through their DC Companies, the total annual income generated would reach USD 5.6M; this would mean an additional flow of income of USD 3.8M per annum into the project area to further drive the local economy. It also has to be considered that the above computations do not take into account the additional production from new planting, as on average, every farmer has planted an additional 168 coffee trees. Upon maturity, these new trees will significantly further boost overall production and incomes, i.e. an additional annual 3,000 MT of FAQ coffee with an approximately value of USD 3.1M. <i>Source: Kaweri Coffee Farmers' Alliance Support Project, End of Project Report</i></p>
<b>I.4.4.4</b>	<p>Producer/ farmer organisations and producers views on the effectiveness of increased competitiveness as an income increasing and stabilising tool and on the benefits from improved access to regional and international markets</p>
<b>CM</b>	<p>According to interviewees, the intervention of the EU in the cocoa and coffee sectors in Cameroon are useful (e.g. better access to information). However several important constraints remain and hamper the competitiveness of the sector : plantations are widely spread out and small, and the infrastructure is highly deficient (roads, electricity...). <i>Source : MN 913</i></p>



<b>TZ</b>	<p>Producers are satisfied with TACRI support to coffee in the region of Moshi. This can be seen through the following elements:</p> <ul style="list-style-type: none"> <li>▪ There is a strong demand for seedlings that can not be afforded by TACRI;</li> <li>▪ They appreciate to learn about techniques to grow coffee;</li> <li>▪ Small groups are more and more interested by nurseries.</li> </ul> <p><i>Source: MN 690</i></p>
<b>UG</b>	<p>Through the Coffee Farmers Alliance support project the EC supported by Stabex, farmer organizations which enhanced the capacity of the coffee sector to meet the market requirements in terms of quality and quantity were established at village, parish and national levels. 24 Depot Committees (parish level) have been registered as Companies and carry out primary processing and deliver hulled green coffee directly to exporters in Kampala (Source: MN 308).</p> <p>The farmers are very satisfied of the support to activities related to the improvement of productivity, quality and efficiency of the coffee value chain (improvement of coffee production and better overall farm management, improvement of quality, nursery implementation and organizational development). The benefits of the project extend beyond direct beneficiaries. Rural communities also benefit of it through jobs creation, development of the finance sector, development of the building sector, improvement of the education level, etc. (Source: MN 308).</p> <p>Although the sector is transformed at the regional level with a total number of 35,000 farmers being involved (Source: MN 313), the limited size of the project (35,000 coffee farmers out of 1.3 million) did not allow for an impact at the national level (Source: MN 313).</p>

### EQ 5 on the Commission's support to risk management

<p>To what extent has the Commission's support contributed to protect agricultural commodity producers from income variability through risk management and/or social safety nets?</p>	
<b>J.5.1</b>	<p><i>Commission support has contributed to the development and implementation of risk management and compensatory tools</i></p>
<b>I.5.1.2</b>	<p>Evidence that the Commission developed and eased the access to compensatory tools (such as Stabex, FLEX)</p>
<b>Kenya</b>	<p>Stabex funds were used to support the coffee sector reform in Kenya (€5m).</p> <p><i>Source: Kenya 2008-2013 CSP/NIP, page 27</i></p>
<b>I.5.1.3</b>	<p>Evidence that the shock management and/or compensatory tools developed by the Commission added value compared to already existing tools</p>
<b>UG</b>	<p>There are in Uganda a very large number of small farmers and a few big operators/exporters. Middlemen (significant number) are the link between farmers and big operators. Prices of agricultural goods vary very much during the year with their lowest level during the harvest season. The idea was to <b>establish warehouses</b> providing farmers with storage facilities well equipped which cannot be installed at the household level to maintain the quality of the products, to sort them according to quality standards, to make packaging, etc. in order to improve transparency and</p>

	<p>efficiency.</p> <p>In 2004, the EC financed a large feasibility study. A law regulating the system was adopted in 2005/06. In 2005, the EU adopted the recommendations of the feasibility study: <b>warehouses + commodity exchange</b>. The project should have its two components operational after 3 years. The EU committed €4 million: €1 million for international expertise (technical assistance) and €3 million to build 10 warehouses and support the establishment of the Uganda Commodity Exchange.</p> <p>To date (after 4 years): <b>4 fully operational warehouses</b> (against the planned number of 10). One bank is providing credit to farmers against guarantee by warehouse receipts. The World Food Programme buys from the warehouse. Sites identified for additional warehouses. Assumption: the private sector would invest in establishing warehouses.</p> <p><b>Commodity exchange</b> (transparent system): the receipts could be traded. But a precondition is that warehouses network is completed. It also implies a confidence building process. It is not currently fully operational.</p> <p><b>Interest rate of credit</b> against guarantee by warehouse receipts: 2% per month. It is a high level of interest but can be compensated by the inter-annual price fluctuations. To the interest rate one must add the warehouses charges. It is not sure that the operation is beneficial.</p> <p>Three main products are stored: maize, beans, paddy rice, which are staple foods grown throughout the country. Are also considered sorgho and millet, and possibly cotton and coffee.</p> <p>(Source: MN 302)</p>
<b>UG</b>	<p><u>Warehouses and risk management</u> for coffee and cotton were financed by the Common Fund for Commodities. Coffee is part of the Commodity Exchange Board. At trade level there is no major financing problems; therefore coffee is not an active player of the warehouse system. (Source: MN303)</p>
<b>UG</b>	<p>The warehouse receipt system deserves strong thinking. This seems reasonable, but MinAgri doesn't like it. Profit margins are very small; farmers cannot afford to pay for the warehouse expenses.</p> <p>What MinAgri expects from donors is infrastructure: agricultural infrastructure (e.g. development of post-harvest like washed coffee and storage capacities). We produce 2 million tons coffee; all of it comes on the market at the same time pushing the price down. Storage would allow farmers to negotiate the price of their coffee deliveries and the consumer would get maize at a good price.</p> <p>(Source: MN304)</p>
<b>I.5.1.4</b>	<p>Evidence that agricultural commodity strategies supported by Commission interventions addressed risk management</p>
<b>AAACP</b>	<p>Tout ACP: a study has been implemented entitled: Cameroon coffee supply chain risk management (WB AAACP, September 2010). The report identified the main risks (coffee price risk, volatility of fertilizer prices, crop substitution, policy regulations, default risk, pest and disease). These risks should be addressed through: improved access and affordability of farm inputs; training especially among young farmers about good coffee cultivation practices; on farm advisory services; coordination and transparency between producers and exporters. Specific interventions should be implemented in the future (<i>Source : document stratégique de développement de la filière café 2010-2015</i>).</p>

In Central African region, UNCTAD completed or has implemented the following activities.

- “1.CEN.C03 - Commodity Supply Chain Finance- Coffee Cameroon” (completed):
  - The study of value chain finance for coffee and cocoa in Cameroon was carried out from June to August 2010. It assesses current conditions of coffee/cocoa sectors' development, identified gaps and bottlenecks in the coffee/cocoa sectors' financing, especially those related to access to credit by smallholders and cooperatives, and defined strategic activities aiming to improve coffee/cocoa financing in Cameroon and establish necessary capacities for the sectors' development.
  - A capacity building workshop was held on 5-6 October 2010 in Kribi under the auspice of the Ministry of Commerce and in cooperation with the National Cocoa and Coffee Board (NCCB). Some 60 participants representing the government of Cameroon, cocoa and coffee stakeholders, financial institutions and development partners participated in the workshop. The meeting examined and validated the conclusions and recommendations of the study of value chain finance for coffee and cocoa in Cameroon and identified follow-up activities, such as the feasibility study for the creation of service centres/companies in coffee producing areas of Cameroon.
  - The report of the study of value chain finance for coffee and cocoa in Cameroon was finalized based on the comments and feedback received during the workshop.
- “1.CEN.C04 – Agricultural commodity exchanges” (ongoing in 2011): the objective of the activity (81,400 EUR) is the pre-feasibility study and support to relevant stakeholders for the potential creation of a commodity exchange with special focus on cocoa and coffee in Cameroon with a view to a future regional development. Progress was made with the recruitment of a consultant to undertake the prefeasibility study.

*Source: UNCTAD, Draft 6 Monthly progress report of the All ACP programme for the period from January to June 2011, 22 July 2011*

Under the All ACP programme, the World Bank (risk management team) has implemented so far the following activities (update: 30 June 2011).

AAACP No	Title	Status
<b>PACIFIC REGION</b>		
1.PAC.E01	Risk management assessment for Fruit & Vegetable sector	Completed
<b>CARIBBEAN REGION</b>		
1.CAR.E01	Policy support on responses to food price volatility	Completed
1.CAR.E02	Pre-feasibility study for developing weather risk management strategy for agriculture	Finalizing
1.CAR.E03	Price risk management for the coffee sector as part of WB's promotion of coffee markets	Completed

1.CAR.E04	Pre-feasibility study for developing market based agr. risk management instr.	Finalizing
1.CAR.E05	Capacity Transfer to the region	Ongoing
<b>CENTRAL AFRICAN REGION</b>		
1.CEN.E01	Supply Chain Risk Assessment for cocoa & coffee	Completed
<b>WEST AFRICAN REGION</b>		
1.WST.E01	Supply Chain Risk Assessment	Finalizing
1.WST.E02	Weather Risk Management	Ongoing
1.WST.E04	Commodity Price Risk Management	Ongoing
1.WST.E07	Capacity Transfer to the Region	Ongoing
<b>EAST &amp; SOUTHERN AFRICAN REGION</b>		
1.ESA.E01	Supply chain risk assessment	Finalizing
1.ESA.E02	Weather Risk Management	Ongoing
1.ESA.E04	Commodity Price Risk Management	Ongoing
1.ESA.E07	Capacity Transfer to the Region	Finalizing
<b>CROSS-REGIONAL</b>		
1.ACP.E01	Training and Education on Agricultural Risk management	Completed
1.ACP.E02	Cotton Market Research and Policy Dialogue	Completed
<p>Available details of activities related to coffee are provided below.</p> <p><u>Activity 1.CAR.E03 - Price risk management for the coffee sector as part of the WB and other IOs work on promotion of coffee markets.</u></p> <p>HAITI - The objective of this activity was to give commercial actors in the coffee supply chain the ability to improve profitability and increase the long term viability of their operations by managing price risk through physical trading and financial risk management activities. In addition, this activity transferred skills to the supply chain participants on the identification of risk (not only price), quantification of risk, and the implementation of risk management strategies.</p> <p>This activity has been completed</p> <p>REGIONAL - Coffee price risk management.</p> <p>WB-ARMT has continued its partnership with the Eastern African Fine Coffee Association (EAFCA). During the past year EAFCA was contracted to deliver training in five East African ACP countries: Kenya, Zambia, Ethiopia, Rwanda and Tanzania. The training in coffee price risk management is being delivered to coffee sector enterprises (small and medium sized traders and cooperatives), government coffee sector agencies, regulators, coffee sector NGOs and capacity building institutions. The goal had been to have all five events completed by end 2010 but due to delays in implementation so far four trainings have been delivered with the remaining event scheduled for August 2011. So far training has been delivered in Kenya, Tanzania, Rwanda and Ethiopia. The Rwandan training was delivered in May 2011 and the Ethiopian training delivered in June 2011. Attendance was good,</p>		

especially in Ethiopia, with EAFCA receiving additional requests for more training going forward. The final event is likely to be held in Uganda, rather than Zambia, as demand for training from Zambia has been lower than anticipated. In addition to the training delivered by EAFCA an additional event was held in Tanzania in Arusha in February 2011, following the EAFCA Annual Conference. The training was delivered jointly by EAFCA and ARMT to an audience of over forty people including fair-trade coffee producers and NGOs working with Eastern African sustainable sector coffee producers (primarily fair-trade, Utz, 4C and Rainforest Alliance certified producers). Feedback received was very positive and the NGOs trained are now aiming to integrate this material into their ongoing work.

#### Activity 1.ACP.E01. Training and Education on Agricultural Risk Management

WB-ARMT has developed a capacity building strategy which 1) develops general and specialized training materials which can be delivered using web-based platforms and in person, 2) disseminates the materials through partnerships with the World Bank Institute and regional training organizations, 3) supports external organizations interested in making use of the materials for their own capacity building programs, 4) provides on-going, as-needed, technical support to clients related to risk assessment and development of risk management programs.

WB-ARMT has been pursuing its training strategy that was developed end FY2009. The objective of this strategy and this activity - which is a component of multiple regional work plans - is to finalize, deliver and distribute modular risk management courses to ACP clients through both distance learning and face to face methods. This work has continued well during the past six months. The main courses (six of them) are now finalized. The online platform is also finalized and being used on a daily basis by interested parties wishing to access the materials, there are currently over 300 registered users and any interested party is able to join by self registering themselves online. This is a significant change as previously only invited parties could access the site, now anyone is free to access and use the site. CD ROMs have now been mass-produced for the six finalized courses and have been distributed at relevant locations and to relevant parties, and sent out based upon requests received. To date approximately 1,300 copies of the six finalized courses have been distributed to a variety of stakeholders ranging from coffee producers, to insurance companies, to sustainability programs, to academics, to UN organizations.

Work is continuing on finalization of four more courses, namely finalization of the cotton price risk management course, translation of the Weather Index Insurance course (from English to French), finalization of the Weather Index Insurance Spanish course and finalization of the cocoa price risk management course. The English language cotton price risk management course is now online and work is required to update it (following successful delivery of the first face to face delivery of this course in June 2011), format the course and transfer it to CD ROM. this will be undertaken over the next three months. The French language cotton price risk management course had been delayed due to delays in delivery of the face to face training in Burkina Faso. Following the delivery the course will be updated, finalized and put online. The Weather Index Insurance training course is currently being translated into French, a firm has been hired and is currently completing the work. Once the translation is completed the online course will be formatted and then transferred to CD ROM. The cocoa price risk management course (English version) is now being finalized after its first successful delivery in Nigeria in May. The course will be put

	<p>online. The French version of the course that was planned will no longer proceed following the decision by the World Cocoa Foundation (our partner in delivering the courses in West Africa) to proceed with only English language training events. In addition to these three courses the Spanish Weather Index Insurance training course is having its theme / presentation updated and will also shortly be put onto CD ROM.</p> <p>Details on the development of various courses is provided below in bullet point format:</p> <ul style="list-style-type: none"> <li>▪ Price Risk Management Coffee Course (English and Spanish versions). Course finalized and CD ROMs widely distributed across East Africa and Latin America both directly and via partnership with the Eastern African Fine Coffee Association (EAFCA).and Fair Trade USA. Work is continuing on delivering the course in East Africa via the Eastern African Fine Coffee Association. Continued demand for coffee sector price risk management due to recent extreme volatility in coffee prices has made the coffee sector highly interested in this training. Face-to-face training events in Coffee Price Risk Management held in Tanzania, Rwanda and Ethiopia.</li> <li>▪ Index Based Weather Risk Management Program Course and Automated Web-tool for Contract Design. Course finalized and CD ROMs widely distributed across East and West Africa and to NGOs and insurance practitioners. Two regional training events for insurers were held in January 2011 in West Africa (Accra) and East Africa. A partnership with Kenya's College of Insurance has commenced, which shall result in them offering the course to students and insurers from across East Africa on an ongoing basis.</li> <li>▪ Cotton Price Risk Management Course for W. Africa and Cotton Price Risk Management for E. Africa. The course was delivered to the East African cotton sector in June 2011 at a three-day event held in Kenya. This course will now be updated online and transferred to CD ROM once completed. The training event planned for West Africa (Burkina Faso) in 1H 2011 was delayed due to unrest in Burkina Faso and is now planned for August 2011. Following this training the French Cotton Price Risk Management course will be put online.</li> <li>▪ Cocoa Price Risk Management Course. Work on adapting the coffee price risk management course into a cocoa price risk management training course was completed and the course was delivered face-to-face in Nigeria in May 2011. The course was also planned to be delivered in June in Cameroon but due to logistical issues with our partner organization will now be delivered in October 2011. Work is now planned to put the course online and consider also transferring it to CD ROM.</li> </ul> <p><i>Source: WB- Agricultural Risk Management Team (WB-ARMT), 6 Monthly progress report of the All ACP programme for the period from January to June 2011 and Programme operational activity report, 25 July 2011</i></p>
<b>I.5.1.5</b>	Evidence that the Commission supported interventions with a view to improving producers' access to finance (credit)
<b>UG</b>	Yes through Stabex projects and for instance, the Kaweri Coffee Farmers Alliance Support Project. This project has activities related the improvement of productivity, quality and efficiency of the coffee value chain (improvement of coffee production and better overall farm management, improvement of quality, nursery implementation

	<p>and organizational development). Through this project, farmer organizations which enhanced the capacity of the coffee sector to meet the market requirements in terms of quality and quantity were established at village, parish and national levels. 24 Depot Committees (parish level) have been registered as Companies and carry out primary processing and deliver hulled green coffee directly to exporters in Kampala (Source: MN 308).</p> <p>On the one hand DC Companies have access <u>to marketing loans from financial institutions</u> and a model for input finance is currently being tested (Source: MN 308).</p> <p>On the other hand, <u>farmers enjoyed a large increase of their in cash income</u> (multiplied by 2.9 and potentially by 6) thanks to higher yields, better quality and higher selling prices and are able to save money, to <u>open a bank account</u> and have the capacity to invest (seedlings and replanting, purchase of fertilizers in Kampala): something unique and it is a double safety (Source: MN 313).</p>
<b>CM</b>	<p>In Cameroon, the AAACP programme funded a study on the improvement of the coffee value chain finance, in order to improve access to credit for producers, through warehouse receipt systems. Furthermore, the AAACP programme is funding a pre-feasibility study on the creation of a commodity exchange system for cocoa and coffee in Cameroon (possibly to be extended to the region).</p> <p><i>Source : MN 913; AAACP action fiches</i></p>
<b>I.5.1.6</b>	Evidence that the Commission supported interventions related to risk management at micro-level in order to better cope with agricultural commodity price variability
<b>CM</b>	<p>In Cameroon, the PACICC programme (Programme d'Appui au Conseil Interprofessionnel Café-Cacao) provides daily information to producers on the effective coffee prices. This allows producers to negotiate their sales price in a better way. The AAACP is building on this experience to study the possibility of developing the market information system to other commodities and provide more information, both qualitative (standards, list of exporters, list of warehouses, agencies for credit...) and quantitative (price, costs, interest rates...) information.</p> <p>Tout ACP et la stratégie filière développée, il y a eu une étude sur la gestion du risque conduite par la Banque Mondiale. C'est au stade étude sans actions consécutives à ce stade.</p> <p><i>Source : MN 913 ; AAACP action fiches</i></p>
<b>J.5.3</b>	<b><i>Income variability and vulnerability to price fluctuations of producers, sector and countries has declined as a result of improved risk management</i></b>
<b>UG</b>	<p>The in cash income of the farmers involved in the Coffee Farmers Alliance support project remains dependent on coffee price fluctuations, but has increased to the point where they are able to invest in their farm (seedlings, fertilisers, etc.) and make some savings. Their vulnerability to price fluctuations is thus reduced.</p> <p>As regards farmers' income and vulnerability, one should note that:</p> <ul style="list-style-type: none"> <li>• Staple crops (e.g. maize) also cash crops; some part of the production is marketed</li> <li>• The revenue derived from cash crops contributes to reducing food insecurity (which is less a problem in Uganda than in other countries).</li> </ul>

	<ul style="list-style-type: none"><li>• There is a minimum income level under which price decreases may lead to food insecurity. Above this minimum income level farmers can cope with price fluctuations. The main objective of the Coffee Farmers Alliance support project is to bring the farmers' income beyond this threshold.</li></ul>
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<b>I.5.3.1</b>	Evidence that the producer can better manage potential agricultural commodity price variability
<b>UG</b>	<p>Answer with two different components.</p> <p>Mixed regarding the implementation of <u>warehouses combined with a system of tradable delivery receipts and a Commodity Exchange Board</u>. Indeed, the objective was to improve transparency and efficiency because the prices of agricultural goods vary very much during the year with their lowest level during the harvest season. Nevertheless, there is a significant risk on the sustainability of the project (see I.5.1.8) The “régime de croisière» envisaged by the feasibility study has not been reached. (Source: MN 302).</p> <p>Yes regarding <u>Stabex projects</u>, notably the Coffee Farmers Alliance support project. The cash income of the farmers involved in the Coffee Farmers Alliance support project remains dependent on coffee price fluctuations, but has increased to the point where they are able to invest in their farm (seedlings, fertilisers, etc.) and make some savings. <u>Their vulnerability to price fluctuations is thus reduced</u>. (Source : MN 308). As regards farmers’ income and vulnerability, one should note that:</p> <ul style="list-style-type: none"> <li>• Staple crops also cash crops; some part of the production is marketed</li> <li>• The revenue derived from cash crops contributes to reducing food insecurity (which is less a problem in Uganda than in other countries).</li> <li>• There is a minimum income level under which price decreases may lead to food insecurity. Above this minimum income level farmers can cope with price fluctuations. The main objective of the Coffee Farmers Alliance support project is to bring the farmers’ income beyond this threshold. (Source: MN 313).</li> </ul>
<b>I.5.3.2</b>	Year-to-year and in-year variations of income levels within the agricultural sector as a whole have been reduced through the use of risk management and compensatory tools
<b>CI</b>	<p>Non bien que les constats ci-dessous portent sur le revenu de manière générale et non sur les variations annuelles :</p> <p><u>Secteur café/cacao</u></p> <p>L'étude sur les revenus et les investissements des producteurs de café et de cacao, confirment l'appauvrissement progressif et continu des ménages (lié au partage déséquilibré de la marge produite sur le produit, au vieillissement des vergers, et à la dégradation des services de productivité).</p> <p>Source : Eval Stabex 2009</p>
<b>I.5.3.4</b>	Year-to-year variations of income levels at country level have been reduced
<b>MG</b>	<p>Non de manière générale (valeur des exportations agricoles ont chuté de 17% de 2008 à 2009) ainsi que pour les deux produits ciblés (vanille et café) (Source : Rapport sur les exportations du secteur agriculture – élevage - pêche en 2009, Délégation de l’UE à Madagascar)</p> <p>A Madagascar, les exportations du secteur agriculture-élevage-pêche occupent la seconde place, avec 30% du total. Elles ont généré 290 millions USD de recettes en</p>

	<p>2009 contre 351 millions USD l'année précédente (-17%). Les exportations de produits animaux (hors pêche) comptent pour moins de 5% du total et sont principalement constituées de cuirs et peaux</p> <p>Huit (8) produits ou catégories de produits représentent à eux seuls 85% de la valeur des exportations du secteur. Leur performance en 2009 dépend plus de facteurs structurels internes ou de l'état des marchés internationaux, que de l'effet de la crise politique qui a marqué le pays depuis le début de l'année.</p> <p>Les exportations <u>de café ont atteint leur plus bas niveau historique</u> avec moins de 3 millions USD »</p>
UG	<p>No such evidence. There are exports' increases but not as much as expected although statistics might be misleading for they do not capture most of the regional trade. However, the transformation of the sector is quite disappointing: agriculture was one of the less performing sectors over the last ten years despite the potential of the country (Source: MN 301).</p> <p>Moreover, there are only 4 fully operational warehouses (against the planned number of 10) to date after 4 years (Source: MN 302) and the limited size of the Coffee Farmers Alliance support project (35,000 coffee farmers out of 1.3 million) did not allow for an impact at the national level although the sector is transformed at the regional level when a pool of 35,000 framers are involved (Source: MN 313).</p>

### EQ 6 on the Commission's support to diversification

To what extent has Commission support helped producers, the agricultural sector and commodity dependent ACP countries to successfully diversify around traditional products?	
J.6.1	<i>The Commission's support has facilitated the analysis of Government's policy choices aiming for diversification and growth</i>
MG	<p>Comme noté plus haut (QE2), la stratégie nationale de développement agricole est centrée sur la production rizicole.</p> <p>La Facilité Sécurité Alimentaire a fourni un appui important au secteur rizicole (financement d'actions de structuration de la filière par des ONG, d'une assistance technique FIDA, mise en place d'un observatoire des prix).</p> <p>Les appuis Stabex aux cultures d'exportation (café, vanille, girofle, litchis) a contribué à diversifier les sources de revenu des paysans bénéficiaires mais ces appuis ne s'inscrivaient pas dans une stratégie explicite du gouvernement malgache (bien que les nombreux documents de stratégie produits par le gouvernement au fil des années – mais jamais mis <b>en œuvre – fassent rituellement référence aux cultures d'exportation.</b></p>
I.6.1.1	Evidence that Technical Assistance has been provided to the Government in the area of policy analysis relating to diversification and growth where necessary and in complementarity with that provided by other donors
CM	<p>According to interviews, nothing is done for diversification from the coffee and cocoa sectors in Cameroon. Projects rather aim at redeveloping the sectors. For bananas, technical and financial assistance has been provided to the sector. It has contributed to the design of the national banana strategy and analyses growth issues for the sector. No other donors are active in the banana sector in Cameroon. <i>Source : MN 913</i></p>

<b>I.6.1.2</b>	Evidence that specific tools have been developed and continue to be used for supporting strategic choices (e.g. competitiveness evaluations of specific commodity chains)
<b>CI</b>	<p><b>Des études sont également prévues pour l'intervention:</b></p> <p>Dans le cadre de l'activité A. 1.b. « Appui aux petits Planteurs d'autres cultures paysannes d'exportation » et pour le secteur <b>café-cacao</b>, il est envisagé d'intervenir qu'à travers des appuis institutionnels ponctuels (<b>études</b> ou renforcement des capacités) mais ayant une importance stratégique pour sa restructuration et pour la répartition des revenus en son sein. (Source : <i>Rider FA</i> p.5 CI-REH)</p>
<b>MG</b>	Seule évidence: des missions d'assistance technique (4) à la mise en œuvre du programme d'intensification et de structuration des principales filières d'exportation de produits agricoles à Madagascar ont été effectuées dans le cadre du programme STABEX (vanille, café, girofle, cacao et poivre) Source: <i>Assistance technique à la mise en oeuvre du programme d'intensification et de structuration des principales filières d'exportation de produits agricoles à Madagascar</i>
<b>UG</b>	No. At commodity level, the lack of reliable statistical data is an impediment to an identification of the country's needs, problems and issues. However some donors (e.g. USDA) carry out reviews of value chains and the coffee organisation (UCDA) is producing monthly reports (Source: MN 313).
<b>J.6.2</b>	<b><i>The Commission has encouraged the diversification of sources of livelihoods of traditional agricultural commodity producers through the adoption and implementation of rural growth strategies</i></b>
<b>UG</b>	<p>The Coffee Farmers Alliance support project has contributed to diversifying and improving the sources of farmers' income that mainly relied on staple crops through the improvement of the productivity, yields and competitiveness of coffee production</p> <p>There is evidence that in the pilot regions NAADS extension services, supported by the EC, led farmers to grow new crops. But this may have not taken place at national level after the roll-over of NAADS.</p>
<b>I.6.2.1</b>	The Commission has encouraged the inclusion of productive sector development strategies in the PRSPs and their discussion with relevant parties (Government, investors, donors)
<b>MG</b>	<p>Bien après les rois de l'Imerina, tous les chefs d'Etat qui se sont succédé au pouvoir à Madagascar ont utilisé le riz pour consolider celui-ci. Ceux qui ont essayé de mettre au second plan le riz ont risqué leur pouvoir car cette céréale divine reste un marqueur culturel. En voici deux exemples : (i) mécontentement de la population de la capitale quand, sous la Deuxième République, pendant les grandes crises de produits de première nécessité, le président Ratsiraka proposa le remplacement du riz par d'autres produits ; (ii) mécontentement aussi quand son prédécesseur le président Tsiranana, a favorisé les cultures d'exportation (dont le café) et introduit d'autres cultures (dont le soja) ; il se rattrapa en concentrant les aides techniques sur la région rizicole du Lac Alaotra. M.H.Dabat, <i>Diagnostic du marché du riz à Madagascar en 2004 et début 2005</i></p>

<b>I.6.2.2</b>	The Commission's rural development strategies and interventions have included considerations for diversification of producers' livelihoods and have addressed international marketing issues
<b>CM</b>	According to interviews, nothing is done for diversification from the coffee and cocoa sectors in Cameroon. Projects rather aim at redeveloping the sectors. According to stakeholders from the coffee and cocoa sectors, diversification is not an issue for producers, as they are already diversified. No producer depends solely on these productions for income. They will only tend to these crops if the prices are good. The EU also supported rural development programmes helping the diversification of peri-urban zones and coffee and cocoa producing regions. The programmes included hydraulic projects and plant nurseries. <i>Source : MN 913 ; MN 409</i>
<b>UG</b>	<p>Yes. <u>Regarding Stabex support</u>, the Coffee Farmers Alliance support project has contributed to <u>diversifying and improving the sources of farmers' income</u> that mainly relied on staple crops through the improvement of the productivity, yields and competitiveness of coffee production (Source: MN 308 and 313).</p> <p><u>Regarding the EC support to the design by the government of its agricultural sector strategy (PMA-plan for Modernization of Agriculture)</u> adopted in 2001, which aimed at promoting a zonal level enterprises well adapted to the agro-ecological conditions, there is evidence that in the pilot regions NAADS (NAADS-National Agricultural Advisory Services) extension services <u>led farmers to grow new crops</u>. But this may have not taken place at national level after the roll-over of NAADS.</p> <p>The EC recently took the decision to withdraw its support to NAADS because the GoU has undertaken to deeply change the nature of the extension service. NAADS is now used to provide farmers with free-of-charge fertilizers and other inputs. Farmers groups at local level are chaired by the head of the ruling party. Etc. (Source: MN 301).</p>
<b>I.6.2.3</b>	The Commission has commissioned studies of causes of low food production and their possible remedies for Governments to implement enabling environments
<b>MG</b>	La Délégation a produit différentes notes d'analyses (assez concises mais précises et qui abordent des éléments concernant le faible niveau de production) : La filière café septembre 2008. Toutefois, la stratégie de développement agricole du gouvernement est actuellement fortement centrée sur les cultures vivrières (riz et manioc). Le développement des cultures d'exportation n'est pas la priorité (Source : MN 805).
<b>I.6.2.4</b>	Evidence that support to diversification has been provided in coordination with other donors efforts in this area
<b>UG</b>	The study established that there was generally a very low level of awareness about GAP among the stakeholders, especially the farmers. The level of infrastructure to support GAP both at the farmer and exporter level was still rudimentary. Despite efforts and trainings initiated towards GAP implementation at national level, there was no organized and coordinated effort within the public and private sectors to effect GAP implementation. It also revealed that the stakeholders were both pro-domestic and export market as far as the focus for a national GAP was concerned. The bigger percentage however, preferred a domestic market, arguing that the current absence of concrete initiatives addressing GAP and the low level of infrastructure development would make the industry unable to comply in the export market given strict requirements such as EurepGAP. However, those in favor of export market focus believed that the anticipated benefits from export market could be an incentive for the private sector to invest in GAP development.

	<p>In the end, there was general agreement among stakeholders that development and implementation of GAP should initially target fruits and vegetables and should later expand to involve other produce, as experience is acquired and resources are made available. Areas such as flowers, fish and coffee will later be required to be integrated into the overall national GAP.</p> <p><i>Source: Development and Implementation of a National Good Agriculture Practice in Uganda (2007)</i></p>
<b>J.6.3</b>	<b><i>The Commission has facilitated knowledge of and access to support instruments for private sector development</i></b>
<b>I.6.3.1</b>	Evidence of Commission support to private sector development in CDDCs, including via its participation in PSD policy discussion groups
<b>UG</b>	<p>One year ago Danida established a Trust for support to small and medium enterprises in the agriculture and food sector. The Trust is capitalized through several donors: EC, Germany, Belgium, Switzerland, Netherlands... It started with USD60 million and should reach USD100 million. The Trust board is Ugandan. Resources of the fund are invested in Treasury funds and bank bonds. The Trust focuses on a limited number of value-chains: maize, coffee, oil seeds, aquaculture and pulses. The Trust has signed partnership agreements with industries and has overtaken a loan guarantee institution.</p> <p>A major hindrance to the development of the agri-business sector is lack of access to finance. The level of interest is very high and banks consider agriculture as a risky business. They prefer to put their money in the real estate sector. Objective of the Trust is to make finance to the agricultural sector attractive to banks. This will allow the Trust to have a leverage effect. (Source: MN 309)</p>
<b>I.6.3.6</b>	Evidence that achievements in terms of facilitation of support instruments for private sector development outlast Commission support
<b>UG</b>	As noted above EC support to private sector development in the agri-business sector is on the agenda (equity fund) but has not been provided yet. More generally stakeholders point out that the limited duration of Stabex projects puts at risk the sustainability of EC projects. Fortunately the Coffee Farmers Alliance Support Project benefited of other donors support once the EC funding a over.
<b>J.6.4</b>	<b><i>The income vulnerability of producers, sector and countries has declined as a result of the implementation of diversification strategies</i></b>
<b>MG</b>	Le développement des cultures d'exportation (café, vanille, girofle, litchi) soutenu localement par les projets Stabex en complément des cultures vivrières (riz, manioc) apporte aux paysans un revenu monétaire qui leur permet si nécessaire d'acheter du riz pendant la période de soudure. Par ailleurs, pratiquer plusieurs cultures d'exportation permet de lisser les effets des variations de prix sur un produit particulier et assure par ailleurs des rentrées d'argent réparties sur différentes périodes de l'année.
<b>UG</b>	The Coffee Farmers Alliance support project has contributed to diversifying and improving the sources of farmers' income that mainly relied on staple crops through the improvement of the productivity, yields and competitiveness of coffee production. Their vulnerability is thus reduced. But this positive development is limited to 35,000 farmers out of a total of 1.3 million coffee growers.

<b>I.6.4.2</b>	Evidence that income levels of producers have stabilised and increased in geographical zones where diversification strategies have been implemented
<b>UG</b>	<p>Yes, through Stabex projects. For instance, the Kaweri Coffee Farmers Alliance Support Project, with activities regarding the improvement of productivity, quality and efficiency of the coffee value chain (improvement of coffee production and better overall farm management, improvement of quality, nursery implementation and organizational development), had an objective to improve the farmers' income. Indeed, farmers enjoyed a <u>large increase of their in cash income</u> (multiplied by 2.9 and potentially by 6) thanks to higher yields, better quality and higher selling prices.</p> <p>Nevertheless, the cash income of the farmers involved in the Coffee Farmers Alliance support project remains dependent on coffee price fluctuations, but has increased to the point where they are able to invest in their farm (seedlings, fertilisers, etc.) and make some savings. <u>Their vulnerability to price fluctuations is thus reduced.</u> (Source : MN 308).</p> <p>As regards farmers' income and vulnerability, one should note that:</p> <ul style="list-style-type: none"> <li>• Staple crops also cash crops; some part of the production is marketed</li> <li>• The revenue derived from cash crops contributes to reducing food insecurity (which is less a problem in Uganda than in other countries).</li> <li>• There is a minimum income level under which price decreases may lead to food insecurity. Above this minimum income level farmers can cope with price fluctuations. The main objective of the Coffee Farmers Alliance support project is to bring the farmers' income beyond this threshold.</li> </ul> <p>(Source: MN 313).</p>
<b>CI</b>	<p><u>Diversification</u> : peu d'évidence de mise en œuvre de stratégies de diversification à l'exception des filières ananas et rizicoles (voir I.6.2.2).</p> <p><u>Augmentation revenus</u> : non (de manière générale). L'étude sur les revenus et les investissements des producteurs de café et de cacao, confirment l'appauvrissement progressif et continu des ménages (lié au partage déséquilibré de la marge produite sur le produit, au vieillissement des vergers, et à la dégradation des services de productivité).</p> <p>Source : Eval Stabex 2009</p>
<b>I.6.4.3</b>	Evidence that income levels within the agricultural sector as a whole have stabilised and increased through the implementation of vertical and horizontal diversification
<b>MG</b>	<p>Non de manière générale (valeur des exportations agricoles ont chuté de 17% de 2008 à 2009) ainsi que pour les deux produits ciblés (vanille et café) (Source : Rapport sur les exportations du secteur agriculture – élevage - pêche en 2009, EU Delegation of Madagascar) « A Madagascar, les exportations du secteur agriculture-élevage-pêche occupent la seconde place, avec 30% du total. Elles ont généré 290 millions USD de recettes en 2009 contre 351 millions USD l'année précédente (-17%). Les exportations de produits animaux (hors pêche) comptent pour moins de 5% du total et sont principalement constituées de cuirs et peaux Huit (8) produits ou catégories de produits représentent à eux seuls 85% de la valeur des exportations du secteur. Leur performance en 2009 dépend plus de facteurs structurels internes ou de l'état des marchés internationaux, que de l'effet de la crise politique qui a marqué le pays depuis le début de l'année. Les exportations <u>de café ont atteint leur plus bas niveau historique</u> avec moins de 3 millions USD. »</p>

### EQ 7 on Commission support in the wider context of EC policies

To what extent did the implementation of other relevant European Community policies strengthen or weaken the pursuit of the COM's objectives ?	
<i>J.7.2</i>	<i>Commission' support in other areas has achieved synergies with Commission support to agricultural commodities</i>
<b>I.7.2.3</b>	Evidence that the Commission has contributed to alleviating negative impacts of changes in international trade rules (such as rules of origin)
<b>MG</b>	Oui. <u>L'UE a eu une contribution importante dans le développement des normes et de la qualité</u> (café, girofle) mais les producteurs n'ont pas été suffisamment impliqués et nécessitent d'être formés sur le long terme (travail de longue haleine). Il y a encore des obstacles à l'exportation du fait <u>d'insuffisances dans le respect des normes sanitaires et phytosanitaires</u> . Il y a eu des produits refoulés (café, huiles essentielles, légumineuses). Les services vétérinaires et de la protection des végétaux seront des cibles de l'UDPR (Unité de Politique de Développement Rural) pour des actions de formation. Il y également une nécessité de professionnaliser les secteurs exportateurs (litchis, girofle) pour répondre aux normes internationales. (Source : MN 805).
<i>J.7.3</i>	<i>Commission' support to agricultural commodities has taken into account Commission transversal policies regarding gender, environment, protection of human rights, corporate responsibility (including child labour and other social rights) and HIV/AIDS in CDDCs</i>
<b>UG</b>	Gender and environment (climate change) are given an increasing attention in the implementation of the Coffee Farmers Alliance support project. According to some studies, the climate change is major threat on coffee production in Uganda. Farmers shall have to invest in irrigation systems
<b>I.7.3.2</b>	Evidence of inclusion of specific measures targeting these cross-cutting issues in interventions supporting agricultural commodities
<b>UG</b>	Gender and environment (climate change) are given an increasing attention in the implementation of the Coffee Farmers Alliance support project, a project supported through Stabex. Gender issues: women work a lot for coffee production but are not responsible for the sales. Climate change issues: according to some studies, the climate change is major threat on coffee production in Uganda. Farmers shall have to invest in irrigation systems. (Source: MN 308).

### EQ 8 on the use made of different financing instruments in support of agricultural commodities

To what extent were different financing instruments and implementation modalities used in a cost effective and timely manner in order to facilitate attainment of the COM's objectives?	
<i>J.8.1</i>	<i>The use of different financing instruments facilitated the development of synergies and complementarities between different interventions so as to facilitate achievement of the COM's objectives</i>
<b>UG</b>	The EDF supported the government overall agricultural development strategy (PMA), that has mainly a functional character, while Stabex funds were mainly used to support specific commodity chains in particular coffee.

	<p>But the main difference is the following: EDF is used to implement interventions; Stabex could be used to implement projects but also to identify and formulate interventions, support the design of policy documents, bridge the gap between two interventions, etc.</p> <p>These two instruments were clearly complementing each other.</p> <p>Currently the Delegation doesn't have available an instrument replacing the Stabex funds.</p> <p>Regional programmes devoted to agricultural research (e.g. Asareca) complemented the EC support to NARO.</p>
<b>I.8.1.1</b>	Evidence that a mix of different financing instruments (EDF, budget lines and emergency financing mechanisms) has been used in support of agricultural commodities in order to facilitate attainment of the COM's objectives
<b>MG</b>	<p>Les fonds Stabex pour les années 1991 à 1999 ont représenté un total de €68,4 millions. Ils ont été utilisés comme suit :</p> <ol style="list-style-type: none"> <li>1. Désenclavement (en particulier au bénéfice des régions productrices de produits agricoles d'exportation) : €28,1 million (41,1%)</li> <li>2. Filières agricoles d'exportation (café, vanille, litchi, aquaculture) : 20,6 million (30.1%)</li> <li>3. Normalisation, contrôle qualité et promotion des produits agricoles : €6,6 million (9,6%)</li> <li>4. Surveillance des pêches : €7,9 million (11,5%)</li> <li>5. Appui institutionnel (notamment appui au bureau de l'ordonnateur national) : €5,1 million (7,5%)</li> </ol> <p>Ces crédits ont été épuisés fin 2010. Source : Délégation de l'UE à Madagascar</p>
<b>MG</b>	<p>« Le programme Stabex a constitué un des rares et importants efforts significatifs d'investissement publics à Madagascar pour la relance des secteurs des cultures de rente en collaboration directe avec les producteurs et exportateurs. Le concept « filière » a été développé avec succès pour la vanille, le café et le litchi. Il a permis l'émergence ou le renforcement des organisations professionnelles, le développement et la diffusion de techniques pour débloquer les principaux goulots d'étranglement relatifs à la production, à la transformation et à la mise en marché, et/ou lorsque le potentiel existait, la standardisation des produits et le contrôle de la qualité, la promotion du label d'origine Madagascar, et si nécessaire des appuis pour des révisions réglementaires ou légales à Madagascar et dans l'UE. »</p> <p>Source : Cadre d'Obligations Mutuelles 1996-1999</p>
<b>UG</b>	<p>Yes. The EDF supported the government overall agricultural development strategy (PMA), that has mainly a functional character, while Stabex funds were mainly used to support specific commodity chains in particular coffee. But the main difference is the following: EDF is used to implement interventions; Stabex could be used to implement projects but also to identify and formulate interventions, support the design of policy documents, bridge the gap between two interventions, etc. (Source: MN 301 and 313).</p> <p>Regarding the COMs, they were probably sent to delegations when they were produced but the EC delegation doesn't know them. However, EC delegation thinks to be in line with their priorities (Source: MN 301).</p>



I.8.1.3	Evidence that interventions financed under non programmable funds in a given country have reinforced the achievements of interventions financed under programmable funds
UG	Yes. The EDF supported the government overall agricultural development strategy (PMA), that has mainly a functional character, while Stabex funds where mainly used to support specific commodity chains in particular coffee. But the main difference is the following: EDF is used to implement interventions; Stabex could be used to implement projects but also to identify and formulate interventions, support the design of policy documents, bridge the gap between two interventions, etc. <u>These two instruments were clearly complementing each other</u> . Currently the Delegation doesn't have available an instrument replacing the Stabex funds (Source: MN 301 and 313).
I.8.1.5	Stakeholders' views on the appropriateness of the mix of instruments with regard to the COM objectives in a given country
UG	The mix of instruments is necessary because <u>they were clearly complementing each other</u> . Indeed, the EDF supported the government overall agricultural development strategy (PMA), that has mainly a functional character, while Stabex funds where mainly used to support specific commodity chains in particular coffee. But the main difference is the following: EDF is used to implement interventions; Stabex could be used to implement projects but also to identify and formulate interventions, support the design of policy documents, bridge the gap between two interventions, etc.. Currently the Delegation doesn't have available an instrument replacing the Stabex funds (Source: MN 301 and 313).
<b>J.8.2</b>	<b><i>At country level, the support to agricultural commodities used a mix of financing modalities and implementation mechanisms that offered timely and cost-effective responses to the challenges identified</i></b>
MG	La complémentarité entre instruments s'est faite au niveau local et non au niveau pays. Dans les régions où sont pratiquées les cultures de vanille, girofle, café elle s'est faite à travers la complémentarité entre les FRDA et CSA et les initiatives soutenues par les projets Stabex. La coordination entre projets Stabex a laissé à désirer (par exemple entre le CTHT et le projet SOAVA qui opéraient dans la même région)
UG	Stabex is viewed by the Delegation as a flexible instrument, which besides its utilisation in support of the coffee sector, was broadly used to finance studies, bridge the gap between two phases of a project, implement micro-projects, support microfinance, etc.
I.8.2.2	Ex post evidence that this choice was justified in terms of effectiveness and efficiency with regard to the outputs produced and the results obtained within the allocated budget and the planned schedule: <ul style="list-style-type: none"> <li>▪ extent to which outputs were produced according to plan</li> <li>▪ extent to which results were achieved according to expectations</li> <li>▪ nature of any factors having influenced cost overruns, implementation delays, or shortfalls with regard to results achieved</li> </ul>
UG	<u>EDF</u>  The EC supported the GoU agricultural strategy (PMA-plan for Modernization of Agriculture) in <b>2001</b> , which benefited among others crops to agricultural commodities, of which coffee. The EC support to PMA focussed on research (NARO-National Agricultural Research Organisation) and extension (NAADS-National Agricultural Advisory Services) with a view of improving the competitiveness of the agricultural

	<p>sector The support to PMA was a multi-donors support. The EC recently took the decision to withdraw its support to NAADS because the GoU has undertaken to deeply change the nature of the extension service. NAADS is now used to provide farmers for free with fertilizers and other inputs. Farmers groups at local level are chaired by the head of the ruling party. Etc. (Source: MN 301).</p> <p><u>Stabex</u></p> <p>The Kaweri Coffee Farmers Alliance Support Project supported by Stabex is successful and achievements (35,000 farmers involved) are very positive: :</p> <ul style="list-style-type: none"> <li>• 24 Depot Committees have been registered as Companies.</li> <li>• DC Companies carry out primary processing and deliver hulled green coffee directly to exporters in Kampala</li> <li>• Through this new marketing opportunity farmers have achieved a 23% higher price for their coffee (net of processing and marketing costs).</li> <li>• DC Companies have access to marketing loans from financial institutions. A model for input finance is currently being tested.</li> <li>• Farmer organizations have implemented a quality control system to ensure that only good quality coffee will be marketed through the organizations.</li> <li>• Yield achievements increase in the average farmers' production from about 600 Kg green coffee per Ha to about 1.3 T/ha (average production on demo plots has reached about 2.7 T/ha)</li> </ul> <p>(Source : MN 308).</p>
<b>I.8.2.3</b>	Views of Commission staff on the appropriateness of financing modalities and implementation mechanisms used for the different financing instruments
<b>MG</b>	<p>La Délégation estime que l'idéal serait d'avoir accès à <u>Stabex, lignes budgétaires et FED</u> car cela permet d'avoir un mix d'outils complémentaires (appui budgétaire, interventions,...) qui permettent de prendre en compte l'ensemble des problèmes affectant le secteur agricole malgache (formation, production, qualité, organisation marché, secteur privé, foncier, infrastructures, décentralisation,...) (Source : MN 804 et débriefing Délégation).</p> <p>En effet, dans les régions où sont pratiquées les cultures de vanille, girofle, café, une complémentarité a été observée entre d'une part les FRDA et CSA (structures d'appui au développement agricole) et d'autre part les initiatives soutenues par les projets Stabex. A noter que la complémentarité entre instruments s'est faite au niveau régional et non au niveau pays.</p>
<b>UG</b>	<p><u>EDF is used to implement interventions; Stabex could be used to implement projects</u> but also to identify and formulate interventions, support the design of policy documents, bridge the gap between two interventions, etc.. Currently the Delegation doesn't have available an instrument replacing the Stabex funds The mix of instruments is necessary because they were clearly complementing each other. The EDF supported the government overall agricultural development strategy (PMA), that has mainly a functional character, while Stabex funds were mainly used to support specific commodity chains in particular coffee (Source: MN 301 and 313).</p>

I.8.2.4	Views of the stakeholders on appropriateness of the financing modalities and implementation mechanisms used with regard to their cost effectiveness and timeliness vis-à-vis the objectives pursued
UG	<p>The Coffee Research Centre (COREC) is worried to hear that donors are orienting their support to the private sector, which does not have a long term view of the sector development needs. Rather than budget support they are in favour of a close targeting of donors' aid.</p> <p>The funding sources of the centre are very limited and erratic. The budget for 2009-2011 is less than US\$ 0,3 million but it requires at least US\$ 1.3 million. There are thus problems regarding the human staffing, the physical and financial infrastructures. All the realised works will be lost without additional funding.</p> <p>Currently, COREC is not able to go forward. For example, tissue culture multiplication is impossible with the current material (filters, autoclave...) and tests on the field need to be realized in order to be sure that the resistant varieties are suitable to other areas. (Source: MN 310)</p>
<b>J.8.3</b>	<b><i>At sector level, the interventions used financing modalities and implementation mechanisms that were adapted to the absorption and implementation capacities of implementation agencies, regional organisations and producer organisations</i></b>
UG	<p>The provision of budget support to the PMA implementation relied on the assumption that the government had the adequate implementation capacity. This assumption was not fully verified notably as regards inter-agencies cooperation. EC support to the PMA secretariat was meant to address this issue.</p> <p>A key component of the Coffee Farmers Alliance support project was the constitution of producer organisations at village, parish and national level.</p>
I.8.3.1	Intervention formulation documents included a diagnostic of the institutional capacity of the implementing agency to undertake the required tasks
CM	Pour le PACICC (Programme d'appui au Conseil interprofessionnel du Cacao et du Café (2,182 M€, financé sur le 9 <sup>ième</sup> FED), la mise en œuvre a reposé sur l'organisation interprofessionnelle qui opère dans le secteur depuis sa libéralisation en 1995. Les activités développées par le programme font partie de la mission du CICC telles que définie dans ses statuts (apporter ses concours aux organisations de producteurs constituant ses divers collèges, accroître l'efficacité de l'ensemble de l'organisation professionnelle, gérer et produire l'information à caractère professionnel, enregistrer les contrats de vente à l'exportation, etc.). <i>Source : Convention de financement du PACICC et MN 913</i>
I.8.3.2	Evidence of mix of different financing modalities used within a sector and within programmes (MoU/FA) to adapt to needs and absorption capacities
UG	<p>Contrary to other donors, who supported the PMA implementation through contributions to a basket fund, the EC supported the PMA through a budget support programme. The reason for this is that the EC was not authorized at that time to contribute to a basket fund. The Financing Agreement of the budget support programme specified how much money was intended for agricultural research and how much for extension services.</p> <p>The coffee sector benefited from the PMA research and extensions services financed from the EDF allocation (at zonal level research and extension were requested to focus on three enterprises well adapted to the agro-ecological conditions) as well as of Stabex</p>

	projects (in particular the Coffee Farmers Alliance Support project)
<b>I.8.3.3</b>	Evidence of mix of different implementation mechanisms used within a sector and within programmes (MoU/FA) to adapt to implementation capacities
<b>UG</b>	<p>The EDF supported the government overall agricultural development strategy (PMA), that has mainly a functional character, while Stabex funds were mainly used to support specific commodity chains in particular coffee. But the main difference is the following: <u>EDF is used to implement interventions; Stabex could be used to implement projects</u> but also to identify and formulate interventions, support the design of policy documents, bridge the gap between two interventions, etc. <u>These two instruments were clearly complementing each other</u>. Currently the Delegation doesn't have available an instrument replacing the Stabex funds (Source: MN 301 and 313).</p> <p>The provision of budget support to the PMA <u>implementation relied on the assumption that the government had the adequate implementation capacity</u>. This assumption was not fully verified notably as regards inter-agencies cooperation. EC support to the PMA secretariat was meant to address this issue (Source: MN 301 and 313).</p> <p>A key component of the <u>Coffee Farmers Alliance support project</u> was the <u>constitution of producer organisations at village, parish and national level</u> through the Stabex support (Source: MN 308).</p>
<b>I.8.3.5</b>	Views of the stakeholders on appropriateness of implementation mechanisms with regard to the management of the project implementation, the organisational and managerial strength of the beneficiary agency and the objectives pursued
<b>UG</b>	<p>The mix of instruments is necessary because <u>they were clearly complementing each other</u>. Indeed, the EDF supported the government overall agricultural development strategy (PMA), that has mainly a functional character, while Stabex funds were mainly used to support specific commodity chains in particular coffee. But the main difference is the following: EDF is used to implement interventions; Stabex could be used to implement projects but also to identify and formulate interventions, support the design of policy documents, bridge the gap between two interventions, etc.. Currently the Delegation doesn't have available an instrument replacing the Stabex funds (Source: MN 301 and 313).</p>

### EQ 9 concluding on the relevance of the 2 COMs

To what extent has the Commission's support to agricultural commodities been:

- (iv) responsive to the needs, problems and issues of commodity dependent ACP countries,
- (v) aligned to and supportive of the policy objectives and priorities of recipient commodity dependent ACP countries and regions, and
- (vi) consistent with and supportive of the objectives of the two communications COM(2004)89 and COM(2004)87<sup>1</sup>?

<sup>1</sup> COM(2004)89: 'Agricultural Commodity Chains, Dependence and Poverty – A proposal for an EU Action Plan'; COM(2004)87: 'Proposal for an EU-Africa partnership in support of cotton sector development' and its associated Action Plan (Action plan for the implementation of the EU-Africa Partnership for cotton)

<b>J.9.1</b>	<i>The interventions supported by the Commission in the field of agricultural commodities have been designed as a response to the country's needs, problems and issues</i>
<b>UG</b>	<p>The PMA was considered by the EC and other donors as a well designed, although over-ambitious, strategy for the development of the agricultural sector. Joint evaluations of the PMA took place between 2002 and 2008.</p> <p>At commodity level, the lack of reliable statistical data is an impediment to an identification of the country's needs, problems and issues. However some donors (e.g. USDA) carry out reviews of value chains and the coffee organisation (UCDA) is producing monthly reports.</p>
<b>I.9.1.4</b>	Views of stakeholders on appropriateness of needs identified and on the priorities chosen with respect to the needs identified as well as on their ownership of Commission-funded activities
<b>MG</b>	<p>D'une part, la <b>création des FRDA-CSA</b> vise à doter Madagascar d'un outil de développement agricole impliquant l'ensemble des parties prenantes (bailleurs, gouvernement, agriculteurs, prestataires de services) et d'autre part, les <b>projets Stabex</b> ont appuyé les principales filières de produits d'exportation. Ces deux approches sont potentiellement complémentaires et sont cohérentes vis-à-vis des besoins identifiés au niveau du secteur agricole.</p> <ul style="list-style-type: none"> <li>• Le Programme d'Action pour la Sécurité Alimentaire a débouché sur le PASAM et la création des <b>Centres de Services Agricoles (CSA)</b> et des <b>Fonds de Développement Régionaux Agricoles (FRDA)</b> dans 6 régions. Les CSA ont un rôle de facilitation : trouver qui peut répondre aux besoins des producteurs agricoles (Source : MN 804). L'ensemble des 36 districts ont un CSA. CSA est l'outil technique. FRDA sont l'outil financier. (Source : MN 805).</li> <li>• <b>Projets Stabex</b> : lorsque l'ensemble des problèmes et des besoins afférant au secteur agricole (production, qualité, transformation, commercialisation,...) sont pris en compte et que l'ensemble des intervenants sont impliqués (producteurs, collecteurs, exportateurs, autorités communales,...), l'appropriation des activités entreprises par une agence exécutive ont de plus grandes chances de perdurer dans le temps.</li> </ul> <p>En effet, ces dimensions ont été prises en compte de manière coordonnée dans certaines interventions <u>au niveau local</u> dont celles d'AIM (Association Intercoopération Madagascar) financé sous Stabex avec 4 résultats : augmenter la production / améliorer la qualité des produits (en partant des semences) / organiser</p>

	<p>le marché local / développer la vanille bio. Les objectifs étaient les mêmes pour la vanille, le girofle et le café dans deux districts, l'un principalement vanille et l'autre girofle. Le café intéresse beaucoup moins les paysans de la région. (Source : MN 806).</p> <p>Toutefois, comme indiqué ci-après (I.9.1.5), ce projet reste une exception (cela n'est pas le cas de la grande majorité des interventions).</p> <p>En outre, la Délégation estime que les différents instruments sont complémentaires. En effet, l'idéal serait de continuer Stabex, lignes budgétaires (banane, sucre et sécurité alimentaire) et FED car cela permet d'avoir un <u>mix d'outils</u> (appui budgétaire, interventions,...) qui permettent de <u>prendre en compte l'ensemble des problèmes affectant le secteur agricole</u> malgache (formation, production, qualité, organisation marché, secteur privé, foncier, infrastructures, décentralisation,...) (Source : MN 804 et débriefing Délégation).</p>
UG	<p><u>Needs and priorities</u></p> <p>The PMA (plan for Modernization of Agriculture) was considered by the EC and other donors as a well designed, although over-ambitious, strategy for the development of the agricultural sector. Joint evaluations of the PMA took place between 2002 and 2008.</p> <p>The EC supported the GoU agricultural strategy (PMA) in 2001, which benefited among others crops to agricultural commodities, of which coffee. The EC support to PMA focussed on research (NARO-National Agricultural Research Organisation) and extension (NAADS-National Agricultural Advisory Services) with a view of improving the competitiveness of the agricultural sector The support to PMA was a multi-donors support (Source: MN 301).</p> <p>At commodity level, the lack of reliable statistical data is an impediment to an identification of the country's needs, problems and issues. However some donors (e.g. USDA) carry out reviews of value chains and the coffee organisation (UCDA) is producing monthly reports. (Source : debriefing)</p> <p><u>Stakeholders' ownership</u></p> <p>Most of the stakeholders seem to be (very) satisfied with the EC approaches. Indeed, few negative comments have been received except regarding the EU procedures that are viewed as heavy (it takes up to 6 months before money is disbursed) (Source: MN 306). Indeed, other stakeholders highlight that the EC has to cope with a heavy bureaucracy but they are doing well (Source: MN 309).</p> <p>Generally speaking, the EC support seems to be appreciated. Some stakeholders highlight the fact that Uganda doesn't respect the Maputo declaration: (10% of GDP should be allocated to agricultural research). This is not respected by most African governments expect the Burkina Faso (???). Uganda is indeed far away (around 5%). In this context, these stakeholders are very thankful for EC support to research and extension commitments (Sources: MN 306 and 310).</p>
I.9.1.5	Views of Commission and other donors on the stakeholders' ownership
UG	<p>The provision of budget support to the PMA (plan for Modernization of Agriculture) <u>implementation relied on the assumption that the government had the adequate implementation capacity</u>. This assumption was not fully verified notably as regards inter-agencies cooperation. EC support to the PMA secretariat was meant to</p>


	<p>address this issue (Source: MN 301 and 313).</p> <p>The EC recently took the decision to withdraw its support to NAADS because the GoU has undertaken to deeply change the nature of the extension service. NAADS is now used to provide farmers for free with fertilizers and other inputs. Farmers groups at local level are chaired by the head of the ruling party. Etc. (Source: MN 301).</p> <p>A key component of the <u>Coffee Farmers Alliance support project</u> was the <u>constitution of producer organisations at village, parish and national level</u> through the Stabex support (Source: MN 308).</p>
<b>J.9.2</b>	<b><i>The choice of interventions is aligned with the policy objectives and priorities of the beneficiary country's national strategy</i></b>
<b>UG</b>	<p>The EC programmable aid devoted to agriculture has been aligned with the government PMA strategy.</p> <p>EC support to the coffee sector did not rely on a national strategy for the sector. However coffee development was addressed by the PMA in the framework of the enterprise priorities defined at zonal level.</p>
<b>I.9.2.4</b>	Views of stakeholders on appropriateness of Commission's interventions with respect to national and country priorities
<b>UG</b>	<p><u>The EC programmable aid devoted to agriculture has been aligned with the government PMA strategy.</u> The PMA (plan for Modernization of Agriculture) was considered by the EC and other donors as a well designed, although over-ambitious, strategy for the development of the agricultural sector. Joint evaluations of the PMA took place between 2002 and 2008. The EC supported the GoU agricultural strategy (PMA) in 2001, which benefited among others crops to agricultural commodities, of which coffee. The EC support to PMA focussed on research (NARO-National Agricultural Research Organisation) and extension (NAADS-National Agricultural Advisory Services) with a view of improving the competitiveness of the agricultural sector. The support to PMA was a multi-donors support (Source: MN 301).</p> <p><u>EC support to the coffee sector did not rely on a national strategy for the sector. However coffee development was addressed by the PMA which aimed at promoting a zonal level enterprises well adapted to the agro-ecological conditions</u> (Source: MN 313). Note that, only two of the 7 areas of the PMA, research and extension, have been effectively implemented (lack of coordination between the ministries involved hampered a more homogeneous implementation of the PMA). (Source: MN 301)</p>
<b>J.9.3</b>	<b><i>Over the period 2004-2009, the choice of interventions supported in the field of agricultural commodities is aligned to the objectives of the two Communications and has helped their achievement</i></b>
<b>UG</b>	<p>COM(2004) 89 is not currently a reference document for the Delegation. However, EC cooperation activities in the agriculture sector did not contradict the COM objectives:</p> <ul style="list-style-type: none"> <li>– Importance given to exports commodities (tea, coffee)</li> <li>– Improvement of productivity and quality as a response to the declining price trend in the coffee sector</li> </ul>

	<ul style="list-style-type: none"> <li>– Diversification of income sources of the farmers</li> <li>– Attempt to develop risk management instruments</li> <li>– Organization of the coffee marketing chain in order to better respond to international market requirements</li> </ul>
<b>I.9.3.1</b>	EC stakeholders know the COM (2004) 89 and the COM (2004) 87 and have designed interventions taking into account the strategy defined in the COMs
<b>CM</b>	Les timides interventions de la CE dans les filières cacao /café ont touché certaines priorités de la COM plus que d'autres (approche chaîne de valeur, amélioration de la compétitivité, de la qualité, transparence sur les prix, groupement des producteurs et capacités organisationnelles..). L'approche « chaîne de valeur » n'est que toute récente et n'a été appliquée actuellement qu'à la filière café. Elle reste à mettre en place pour le cacao et à suivre globalement pour la filière café. Certains maillons faibles restent à renforcer (matériel végétal certifié, ..).
<b>UG</b>	<p>The COMs were probably sent to delegations when they were produced but the EC delegation doesn't know them. The COM(2004) 89 is thus not currently a reference document for the Delegation. However, EC delegation thinks to be in line with their priorities EC cooperation activities in the agriculture sector did not contradict the COM objectives:</p> <ul style="list-style-type: none"> <li>– Importance given to exports commodities (tea, coffee)</li> <li>– Improvement of productivity and quality as a response to the declining price trend in the coffee sector</li> <li>– Diversification of income sources of the farmers</li> <li>– Attempt to develop risk management instruments</li> <li>– Organization of the coffee marketing chain in order to better respond to international market requirements</li> </ul> <p>(Source: MN 301 and 313)</p>



# Cotton - Product Fiche

## 0. Identification of the product

	<ul style="list-style-type: none"> <li>▪ Cotton</li> <li>▪ <i>Gossypium hirsutum</i> (which accounts for 90 percent of world cotton production), <i>Gossypium barbadense</i> (8 percent), <i>Gossypium herbaceum</i> and <i>Gossypium arboreum</i></li> </ul> <p>The fibres around the seeds of the cotton plant are used to make textile products. It is the most important natural-fibre utilized in the clothing industry today. It is also used as material to make various products such as coffee filters or tents.</p> <p>Oil can be extracted and refined from the cottonseed for cooking and cosmetics. Research on medical applications of gossypol, a toxic compound of the oil, is being performed.</p> <p>Soap stock, a semi-solid residue from the refining process, provides fatty acids used in insulation materials, soap, waterproofing materials...</p> <p>The hulls are used for fertilizer, plastics, and paper. Furfural, a liquid made from the hulls, is used in the chemistry industry.</p> <p>Cottonseed meal remaining after the oil extraction and cottonseed hulls can also be served as feed to ruminants<sup>32</sup>.</p> <p>Synthetic fibres such as polyester and nylon are important cotton substitutes.</p>
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<sup>32</sup> <http://science.jrank.org/pages/1832/Cotton-Cotton-by-products.html>

## 1. Commission support to the product

According to the inventory (based on CRIS) support to cotton over the period 2000-2009 has amounted to €109 million; data obtained from the Cos-Coton show Commission support to have been just over €170 million. The discrepancy between the two sources of information comes mainly from the fact that the inventory data could not take account of support funded by Stabex funds transferred prior to 2000. Field visits have confirmed that for many countries these accumulated Stabex funds have been a major source of funding for support to agricultural commodities. In this section, both series of data are presented, firstly the data extracted from the inventory, and secondly, the data extracted from the Cos-Coton database.

Based on the inventory, Commission support to cotton over 2000-2009 has been as follows (in Euros):

**Table 20: Commission support per country**

Countries	Planned amount
GAMBIA	64,326
MALAWI	147,612
ZAMBIA	236,810
WEST AFRICA REGION	250,000
MOZAMBIQUE	400,000
ACP COUNTRIES	774,656
CENTRAL AFRICAN REPUBLIC	1,841,620
ZIMBABWE	2,762,036
IVORY COAST	7,985,966
BENIN	10,013,712
BURKINA FASO	11,575,869
MALI	16,080,383
SUDAN	57,566,525
<b>Grand Total</b>	<b>109,699,515</b>

*Source: ADE Inventory based on CRIS*

**Table 21: Commission support to the cotton sector per budget line**

Budget lines	Planned amount
DCI-ENV	250,000
DCI-NSAPVD	522,172
FOOD	1,453,697
ONG-PVD	1,465,615
FED	42,866,237
Stabex	63,141,795
<b>Grand Total</b>	<b>109,699,515</b>

*Source: ADE Inventory based on CRIS*

**Table 22: Commission support per Communication priority and country**

Support per priority and countries	Planned amount
<b>Priority 1 (Comm.chains design)</b>	<b>192,059</b>
IVORY COAST	192,059
<b>Priority 2 (Competitiveness)</b>	<b>24,297,714</b>
CENTRAL AFRICAN REPUBLIC	54,037
ZAMBIA	236,810
WEST AFRICA REGION	250,000
MOZAMBIQUE	400,000
BURKINA FASO	522,172
ACP COUNTRIES	585,406
MALI	5,255,383
IVORY COAST	7,793,907
BENIN	9,200,000
<b>Priority 3 (Risk Management)</b>	<b>63,141,795</b>
GAMBIA	64,326
MALAWI	147,612
BENIN	813,712
CENTRAL AFRICAN REPUBLIC	1,787,583
ZIMBABWE	2,762,036
SUDAN	57,566,525
<b>Priority 4 (Diversification)</b>	<b>1,500,000</b>
MALI	1,500,000
<b>Priority 5 (MTS)</b>	<b>189,250</b>
ACP COUNTRIES	189,250
<b>Priority 6 (CSR)</b>	<b>2,378,697</b>
BURKINA FASO	1,053,697
MALI	1,325,000
<b>Multi</b>	<b>18,000,000</b>
MALI	8,000,000
BURKINA FASO	10,000,000
<b>Grand Total</b>	<b>109,699,515</b>

*Source: ADE Inventory based on CRIS*

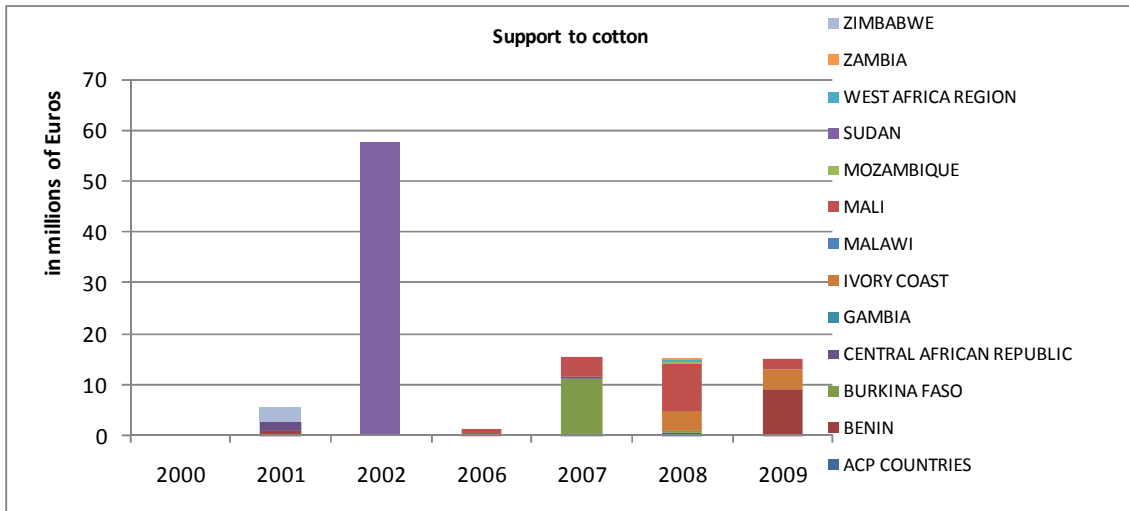
*Note: The amounts allocated from the Stabex funds are automatically ranked under Priority 3 (Risk management) but their actual use needs to be checked on a case-by-case basis.*

**Table 23: Commission support to the cotton sector per area of support**

Areas of support and countries	Planned amount
<b>Environment/social</b>	<b>1,053,697</b>
BURKINA FASO	1,053,697
<b>Fair trade</b>	<b>1,325,000</b>
MALI	1,325,000
<b>Farmer organisation</b>	<b>946,233</b>
ACP COUNTRIES	187,252
ZAMBIA	236,810
BURKINA FASO	522,172
<b>Infrastructure / Equipment</b>	<b>4,298,872</b>
MALI	4,298,872
<b>Institutional and regulatory support</b>	<b>3,830,567</b>
MALI	36,660
IVORY COAST	3,793,907
<b>Multi</b>	<b>18,000,000</b>
MALI	8,000,000
BURKINA FASO	10,000,000
<b>Research / Study</b>	<b>648,154</b>
WEST AFRICA REGION	250,000
ACP COUNTRIES	398,154
<b>Stabex</b>	<b>63,141,795</b>
GAMBIA	64,326
MALAWI	147,612
BENIN	813,712
CENTRAL AFRICAN REPUBLIC	1,787,583
<b>SUDAN</b>	<b>57,566,525</b>
ZIMBABWE	2,762,036
<b>Support to diversification</b>	<b>1,500,000</b>
MALI	1,500,000
<b>Support to national strategy</b>	<b>192,059</b>
IVORY COAST	192,059
<b>Support to producer</b>	<b>5,373,888</b>
CENTRAL AFRICAN REPUBLIC	54,037
MOZAMBIQUE	400,000
MALI	919,851
IVORY COAST	4,000,000
<b>Trade</b>	<b>189,250</b>
ACP COUNTRIES	189,250
<b>Value Chain</b>	<b>9,200,000</b>
BENIN	9,200,000
<b>Grand Total</b>	<b>109,699,515</b>

*Source: ADE Inventory based on CRIS*

**Graph 28: Evolution of contracted amounts per year per country, 2000-2009**



Source: ADE Inventory based on CRIS

The support of the Commission to the cotton sector since 2004 according to the information gathered by the *Cos Coton* is summarised in the table below.

**Table 24: Commission support to the cotton sector**

Programmes / Projects / Activities	Contracted amount (€)	Disbursed amount (€)	Beneficiaries
All ACP Programme: EU Commodity Action Plan & EU-Africa Partnership on Cotton	16,100,000	8,200,000	C4 + All African Producers
Conference on GM cotton	309,605	300,000	C4 + All African Producers
Support to the functioning of the COS	189,885	188,235	All African Producers
Study on the "Université du Coton" concept	95,686	95,686	All African Producers
Mid Term Evaluation of the EU-Africa Partnership on cotton	162,331	162,331	All African Producers
"Programme d'Appui Régional de l'Intégration"(PARI) - Support to regional integration -Classification of cotton /West Africa	3,000,000	3,000,000	All African Producers
Support to national reform of the cotton sector/Sectoral Support			Benin
- budgetary support with sectoral conditionalities	9,200,000	7,360,000	Benin
- Complementary assistance (institutional support, evaluation, audit)	800,000	0	Benin
Rehabilitation of rural roads in cotton areas	7,850,000	7,062,237	Benin
Support to "Association interprofessionnelle du coton" (AIC) (Stabex funding)	45,000	45,000	Benin
Cotton Sector Support (recapitalisation of the cotton companies by participation of the cotton producers through a grant to UNPCB)	10,000,000	10,000,000	Burkina Faso
FOOD/2007/144-063 - Amélioration de la fertilité des sols dans les exploitations biologiques de la zone cotonnière du Burkina Faso	1,053,697	206,830	Burkina Faso
Compensation cotton exportations (FLEX but to be used as general budget support)	9,420,000	0	Burkina Faso
University of cotton UPB - AProCA Subsidy (on convention UEMOA contribution 9th EDF)	687,500	0	All African Producers
Support to institutional restructuring (Stabex)	304,898	225,017	Côte d'Ivoire
Support to Animal traction agriculture (Stabex)	4,249,157	3,895,029	Côte d'Ivoire
Support to Cotton Producer Organisations (Stabex)	1,524,490	1,411,744	Côte d'Ivoire
Short Term Technical Assistance to Ministry of Agriculture ( Stabex)	147,889	146,047	Côte d'Ivoire

Programmes / Projects / Activities	Contracted amount (€)	Disbursed amount (€)	Beneficiaries
LT TA Support to InterCoton ( Stabex)	392,757	193,750	Côte d'Ivoire
AT Coton LT au MinAgri (Stabex)	195,080	195,080	Côte d'Ivoire
Public debts clearing (Stabex)	10,977,026	10,977,026	Côte d'Ivoire
Public debts clearing (Stabex)	14,334,711	14,332,852	Côte d'Ivoire
Various studies (Stabex)	496,340	496,093	Côte d'Ivoire
Compensation for farmers & employees of LCCI (Stabex)	9,817,717	9,696,996	Côte d'Ivoire
Tracks in cotton areas (Stabex)	4,581,795	2,832,979	Côte d'Ivoire
Seeds Programme (Stabex)	477,882	301,194	Côte d'Ivoire
Rehabilitation classification facility (Stabex)	990,919	941,369	Côte d'Ivoire
Compensation workers CIDT (FLEX 2006-2007 )	2,000,000	1,591,785	Côte d'Ivoire
Rehabilitation of roads/tracks in cotton growing areas (FLEX 2006-2007 )	11,000,000	0	Côte d'Ivoire
Support to Cotton Producer Organisations (FLEX 2006-2007)	600,000	0	Côte d'Ivoire
Support to cotton recovery plan (FLEX 2008 )	10,000,000	0	Côte d'Ivoire
Support to sectoral reform			
- Mali state - Fixed Tranche	3,000,000	3,000,000	Mali
- Mali State - Variable Tranche	5,000,000	5,000,000	Mali
- Literacy component	1,500,000	1,500,000	Mali
- Rehabilitation of tracks in cotton areas	4,101,686	4,101,686	Mali
Compensation organic and fair-trade cotton	600,000	540,000	Mali
Institut national du coton : extension & TA for diversification by small producers of sub-contractors	5,000,000	4,700,000	Mozambique
Institutional strengthening of the national cotton institute, rehabilitation of classification laboratories, equipments & vehicles	1,550,000	1,550,000	Mozambique
National institute of agricultural research: identification, adaptation & multiplication of cotton varieties	1,500,000	1,500,000	Mozambique
Extension & TA to small producers of sub-contracting companies to strengthen cotton farming system	400,000	242,459	Mozambique
Cotton arrears settlement (debt payments)	4,000,000	4,000,000	Centrafrican Republic
Cotton quality, diversification & strengthening of producer organisations	4,000,000	2,486,000	Senegal

Programmes / Projects / Activities	Contracted amount (€)	Disbursed amount (€)	Beneficiaries
Project in support of cotton sector reform	174,242	174,242	Chad
Rehabilitation of tracks			
- Cotton tracks (Stabex 90-94)	3,630,691	3,278,323	Togo
- Cotton tracks (Stabex 95-99)	999,555	951,466	Togo
- Cotton tracks (Stabex 95-99)	4,031,263	3,776,193	Togo
Sectoral support			
- HR study SOTOCO	172,000	170,152	Togo
- Support to restructuring & consolidation of cotton PO	1,393,830	1,393,830	Togo
- Funding of shares of producers federation in capital base of Sotoco	1,243,182	1,243,182	Togo
- Multi-purpose storage facilities	1,305,883	991,297	Togo
Cotton training centre/ Cotton research institute	3,121,146		Zimbabwe
Training & capacity building for small cotton farmers	1,153,000	1,147,384	Zimbabwe
Supporting the training of cotton farmers	754,900	686,625	Zimbabwe
Supporting the training of cotton farmers	565,000	495,318	Zimbabwe
<b>Total</b>	<b>180,200,743</b>	<b>126,785,437</b>	-

Source: Cos Coton, 20 Juin 2011

Note: C4= Benin + Burkina Faso + Mali + Chad



According to the information gathered since 2004 by the *Cos Coton*, Commission support to cotton in ACPs has amounted to just over €171 million<sup>2</sup> compared to the €109 million identified through the CRIS (see tables above). The following table summarises the two sources of data, showing that the discrepancies between the two sources of data are mainly due to the utilisation of Stabex funds stemming from transfers prior to 2000 and to Flex funds used in Ivory Coast. On the other hand, contracts to the amount of €57.5 million are identified in CRIS to benefit Sudanese cotton but have not been listed by the *Cos Coton*.

**Table 25: Comparison of the Commission support to the cotton sector since 2004 in ACP countries according to CRIS and *Cos Coton* monitoring**

Countries	from CRIS	from Cos COTON	of which Stabex	of which Flex
ACP COUNTRIES	774,656	20,545,007		
BENIN	10,013,712	17,895,000	45,000	
BURKINA FASO	11,575,869	11,053,697 <sup>33</sup>		
CHAD		174,242		
CENTRAL AFRICAN REPUBLIC	1,841,620	4,000,000		
GAMBIA	64,326			
IVORY COAST	7,985,966	72,090,661	48,490,661	23,600,000
MALAWI	147,612			
MALI	16,080,383	14,375,928		
MOZAMBIQUE	400,000	8,450,000		
SENEGAL		4,000,000		
SUDAN	57,566,525			
TOGO		12,776,404	8,661,509	
WEST AFRICA REGION	250,000			
ZAMBIA	236,810			
ZIMBABWE	2,762,036	5,594,046		
<b>Grand Total</b>	<b>109,699,515</b>	<b>170,954,985</b>	<b>57,197,170</b>	<b>23,600,000</b>

*Source: ADE 2011, based on CRIS and Cos Coton data*

Based on information gathered during field visits, the above table should be completed with the Stabex and Flex funds used in Burkina Faso and Ivory Coast: stemming from earlier transfers, these funds were used/dispensed during the period of observation (2000-2009) in support of the cotton sector, as follows.

- According to the EU Delegation in Burkina Faso, 1.5 billion FCFA (equivalent to around 2.3 M EUR) was spent till 31 July 2007 in support of the cotton sector in this country, mainly to build infrastructures storage buildings and other community buildings, to deliver trainings, to carry out studies and to pay off debts. Details of Stabex interventions in the cotton sector in Burkina Faso are provided below:

<sup>33</sup> € 9,42 M from Flex funds which have been transferred to *Cos Coton* were not counted here. According to the field visit in Burkina Faso, this amount is used as general budget support and thus not specifically for the cotton sector.

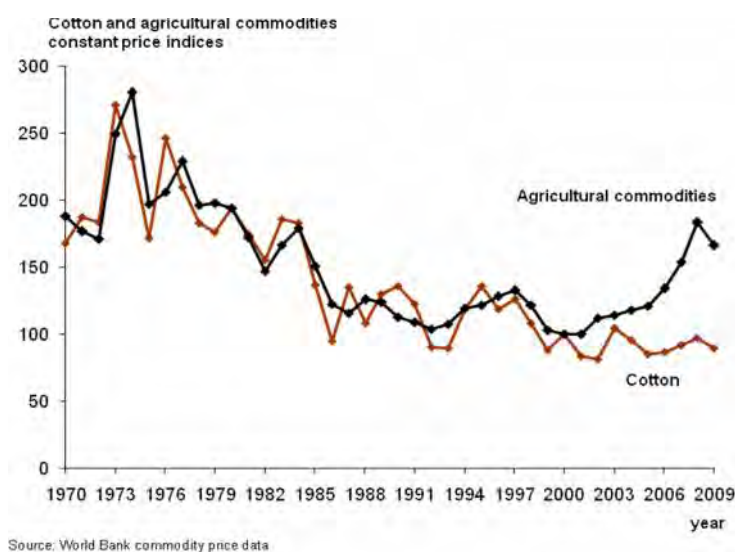
- Union Nationale des Producteurs de coton (UNPCB)/ Société de fibres et textiles (SOFITEX) : building infrastructures for a total amount of 157 M FCFA
- CNCA/ SOFITEX: debt balancing for cotton producers' organisations for a total amount of 325 M FCFA
- SOFITEX : training of cotton correspondents and typology of farmers in the cotton zones for a total amount of 250.4 M FCFA
- SOFITEX/ UNPCB : building of storage and community facilities for cotton producers' organisations for a total amount of 750 M FCFA
- HORUS : studies in the cotton sector for a total amount of 6 M FCFA
- According to *Cos Coton*, Stabex funds and Flex funds have been used in Ivory Coast to support the cotton sector
  - The total contracted amount of Stabex funds devoted to support the cotton sector is equivalent to €48.5M. This amount is shared between the following interventions:
    - Support to institutional restructuring: 304,898 €
    - Support to Animal traction agriculture: 4,249,157 €
    - Support to Cotton Producer Organisations: 1,524,490 €
    - Short Term Technical Assistance to Ministry of Agriculture: 147,889 €
    - Support to Inter Cotton: 392,757 €
    - AT Coton LT au Min Agri : 195,080 €
    - Public debts clearing: 10,977,026 €
    - Public debts clearing: 14,334,711 €
    - Various studies: 496,340 €
    - Compensation for farmers & employees of LCCI: 9,817,717 €
    - Tracks in cotton areas: 4,581,795 €
    - Seeds Programme: 477,882 €
    - Rehabilitation classification facility : 990,919 €
  - The total contracted amounts of Flex funds devoted to support the cotton sector is equivalent to €23.6M. This amount is shared between the following interventions:
    - Compensation workers CIDT (2006-2007): €2 M
    - Rehabilitation of roads/tracks in cotton growing areas (2006-2007): €11 M
    - Support to Cotton Producer Organisations (FLEX 2006-2007): €0.6 M
    - Support to cotton recovery plan (2008): €10 M

## 2. Main characteristics of the sub-sector

### 2.1 Cotton prices<sup>34</sup>

The evolution of the cotton and agricultural commodities constant price indices since 1970 is represented on the graph below.

**Graph 29: Evolution of cotton and agricultural commodities world price indices (year 2000 = 100)**



*Source: World Bank, Commodity Price Data*

The prices of cotton have undergone important fluctuations over the 1970 to 2009 period, alternating sharp price spikes and drops in three to four year periods. The cotton index and agricultural commodities index have followed a quite similar evolution but began to diverge in the 2000s, with cotton prices stagnating and agricultural commodity prices rising. In 2010 however, cotton prices underwent an unprecedented 65% increase (the index rose from 88 to 146).

The 1970s oil crisis led to a price boom which was followed by a general downward trend in the 1980s. The decline of the 1980s was triggered by a change in U.S. commodity policy and by China's policies increasing domestic production.

The degree of price volatility has changed over the past 40 years. Volatility became very important between 1973 and 1984. From 1985 to 1992, price variability reduced by half but still remained significant.

The cotton price increase of 2007-2008 has not been as important as the general commodity price boom but was still larger than the agricultural raw materials price increase.

<sup>34</sup> Tschirly D., Poulton C., Labaste P. Organization and performance of Cotton Sectors in Africa: Learning from reform experience. World Bank

This is explained by a less important linkage of cotton to food and fuel prices than other commodities.

Differences appear in the cotton price mechanisms between East/ South and West/Central Africa. While in Eastern African countries producers' prices are more market-linked, they are negotiated at the beginning of the cropping seasons, and completed by surplus depending on the final world price or on cotton companies' profit, in Western and Central Africa.

Several endogenous and exogenous factors influence African cotton prices. The main endogenous factor is the limited cotton processing capacity in the majority of African countries. Around 95% of the production in Mali, Benin and Burkina Faso is sold without processing (cottonseed), which limits the added value for producers. In addition, the commercial and financial management of cotton companies (production cost management, sales strategies, etc.) also plays a role on the setting of African cotton prices.

Exogenous factors impacting cotton prices in African countries are as follows:

- World's agricultural policies, notably changes in the US commodity policies and US subsidies, China's policies which have boosted domestic cotton production, as well as the liberalisation of the world textile market (WTO, 2005). An important factor contributing to world prices is the subsidies granted to cotton producers, mainly in the United States. These subsidies are estimated to depress world prices by approximately 10 to 15 percent<sup>35</sup>.
- Currency fluctuations:
  - World prices are also affected by movements of the U.S. dollar since world cotton prices are expressed in dollars (as are most commodities). The price decline at the end of the 1990s and early 2000s is partly due to the increase in the U.S. dollar strength after the East Asian financial crisis. Similarly, the weakness of the U.S. dollar in the mid-2000s contributed to the commodity price increase.
  - In CFA countries, the local currency is pegged to the Euro (to the French Franc before 2000) and is therefore dependent on exchange rate variations between the Euro and the Dollar. Depreciation of the Euro compared to the Dollar makes CFA exporters more competitive.
- Increased cost of inputs: inputs – especially fertilizers for Central and West Africa – represent an important share of production costs. Between 2000 and 2008 the cost of fertilizers increased by more than 50%.
- Lack of technological transfer to Africa, notably as far as genetically modified cotton is concerned.

According to the *Cos Cotton*, the evolution of the cottonseed producer prices in CFA region is provided in table below.

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<sup>35</sup> This estimation is an average of all models computing the effects of cotton subsidies on world cotton prices.

**Table 26: Evolution of cottonseed prices (first category) in CFA region, 2001 to 2011 (FCFA/kg)**

Pays	Années										
	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Bénin	200	180	190	190	170	170	170	190	210	210	250
Burkina Faso	175	175	175	210	175	165	145	165	160	210	245
Côte d'Ivoire	175	175	185	162	140	145	150	185	175	200	nc
Mali	200	180	200	210	160	165	160	200	170	185	255
Sénégal	185	185	185	195	195	180	180	185	185	195	205
Togo	180	175	175	185	150	155	160	145	165	185	nc

Source: *Cos Coton, 2011*

## 2.2 Evolution of cotton production

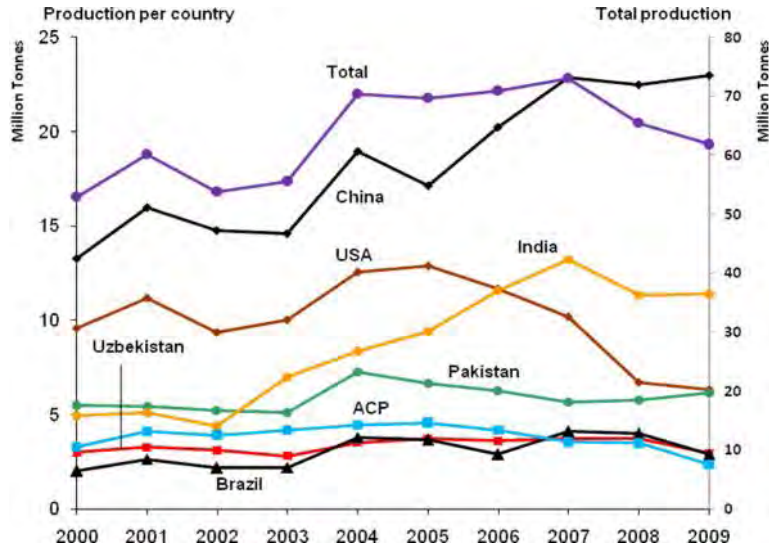
A major share of the world cotton production is irrigated and strongly mechanized, such as in the United States. In Africa, cotton is essentially produced by a large number of farmers through traditional agricultural techniques, without irrigation and mechanization. In addition, cotton requires vast labour forces to hand-harvest cotton.

While its development started in the 1990s, genetically modified (GM) cotton represents today around half of total world production. However African countries have not yet introduced this new technology in their cotton crops, except South Africa and more recently Burkina Faso. In the future other African countries seem to be interested in growing GM cotton.

Main cotton producers include China, the United States, India, Pakistan and Brazil. Many ACP countries produce cotton although the most important ones are located in West Africa: Nigeria, Burkina Faso, Benin and Mali. Although ACP countries accounted for only 2% of world production in 2008, cotton represents the main source of export revenue for countries like Benin and Burkina Faso<sup>36</sup>. Although ACP countries had increased their share of world cotton production since the 1980s, Asian countries have been increasing their share in cotton production over the past decades. The graph below shows the evolution of world cottonseed production over the past decade.

<sup>36</sup> CTA Agritrade website : <http://agritrade.cta.int/en/Commodities/Cotton-sector/Executive-brief> online July 16 2010

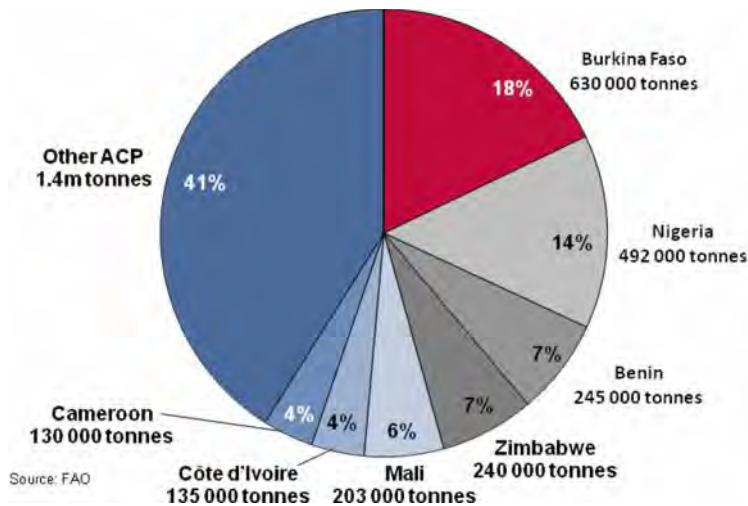
**Graph 30: World cottonseed production from 2000 to 2008**



Source: FAOStat

Based on FAO statistics, the shares of ACP cottonseed production in 2008 are represented in the graph below.

**Graph 31: Shares of ACP cottonseed production in 2008 based on FAO statistics**



Source: FAOStat

Between 2000 and 2010, the share of African cotton production in the world market decreased by 2% (from 7% to 5%), while African cotton exports decreased by 9% (from 20% to 11%). The cotton fibre produced in Africa is mainly exported. In 2000, African countries processed 2.6% of world cotton. This share decreased to 1.3% in 2010.

In China (where the cotton yields are amongst the world's highest), cotton is grown on small scale family farms with high levels of inputs<sup>37</sup>. Brazilian cotton growing systems vary depending on the region, from the 2000 hectare highly mechanized farms of Mato Grosso to the 5 hectare farms of Paraíba. American cotton farms are on average around 100 hectares and the levels of inputs vary, from irrigated Californian farms to lower levels of inputs in Texas. ACP cotton farming is manual (with or without animal traction) and small scale. Input levels are usually moderate to low<sup>38</sup>.

The evolution of yields of cottonseed in key cotton producing regions is represented in the table below.

**Table 27: Evolution of cotton seed yields between 1970 and 2008 in kg/ha**

Years	Brazil	China	United States	Burkina Faso
1970-1979	459	1366	1403	581
1980-1989	696	2218	1709	1009
1990-1999	1265	2610	1879	1045
2000-2008	3140	3438	2152	1101

*Source: Adapted from FAOStat database*

Brazilian and Chinese yields have been increasing significantly over the past 40 years with the largest growths in the past decade. Yields in the United States and Burkina Faso have risen more slowly with yield stagnation in Burkina Faso for the past 30 years. The rise in production from African countries is due to an extension of cotton areas rather than to an increase of yields.

## 2.3 Evolution of cotton markets

The cotton sectors of African countries have undergone important changes in the past decades and the current situation is different in practically each African country. In the past, national monopolies were the general case in most of West Africa and the public institutions provided the farmers with seeds, inputs and other services. National monopolies are still in place in Mali (where the situation is changing), Cameroon, Chad and Senegal (where it is a private monopoly). Countries such as Burkina Faso and Ghana are characterized by local monopolies whereas East and South African countries such as Tanzania, Zambia and Zimbabwe are market-based. The sectors of Benin and Uganda are of the hybrid type<sup>39</sup>.

In most of West and Central Africa (WCA) a basis price for producers is negotiated at the beginning of the cropping seasons and a complement can be paid depending on the final world prices or the cotton companies' profit. In Eastern and South Africa (ESA), prices are more market linked, flexible and diverse.

<sup>37</sup> Fok M.A.C., Liang W., Wang J., Xu N. Production cotonnière en Chine : forces et faiblesses d'une intégration à l'économie de marché. Cahiers Agriculture Vol 15, N°1 42-53. Janvier-Février 2006.

<sup>38</sup> Mendez del Villar P., Alvez L.R.A., Keita M.S. Performance and competitiveness of cotton farms in Brazil, the USA and Mali, Cahiers Agriculture Vol 15 N°1 23-34. Janvier-Février 2006.

<sup>39</sup> Tschirly D., Poulton C., Labaste P. Organization and performance of Cotton Sectors in Africa: Learning from reform experience. World Bank

The resulting shares of producer prices in the FOT<sup>40</sup> cotton lint prices are represented in the table below<sup>41</sup>.

**Table 28: Share (percentage) of producer prices in FOT cotton lint prices**

Years	Benin*	Burkina Faso*	Mali*	Tanzania°	Zambia°	Zimbabwe°
1990-94	58	55	56	49	/	63
1995-99	62	57	52	65	63	69
2000-05	71	73	76	70	55	49

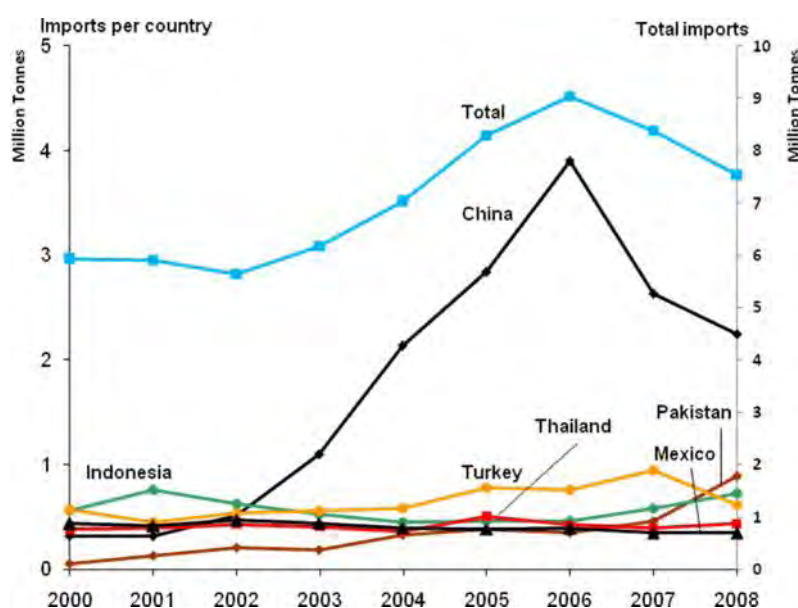
Source: Tschirly et al.

Notes: \*: WCA country, °: ESA country, /: Data unavailable

The situation is different in other key cotton producing countries. In the USA, cotton growers can store their harvest in warehouses and sell it to textile mills or independent merchants. Procurement and marketing of cotton in China was monopolized by the government's procurement agency until the 1980s and has been progressively liberalized since then. Today domestic textile firms coexist with the state's Supply and Marketing Cooperatives. Central Asian cotton producers continue to use the system of central planning that prevailed in the Soviet Union<sup>42</sup>.

Cotton lint imports and exports are represented in graphs below.

**Graph 32: Cotton lint imports from 2000 to 2008**



Source: FAOStat

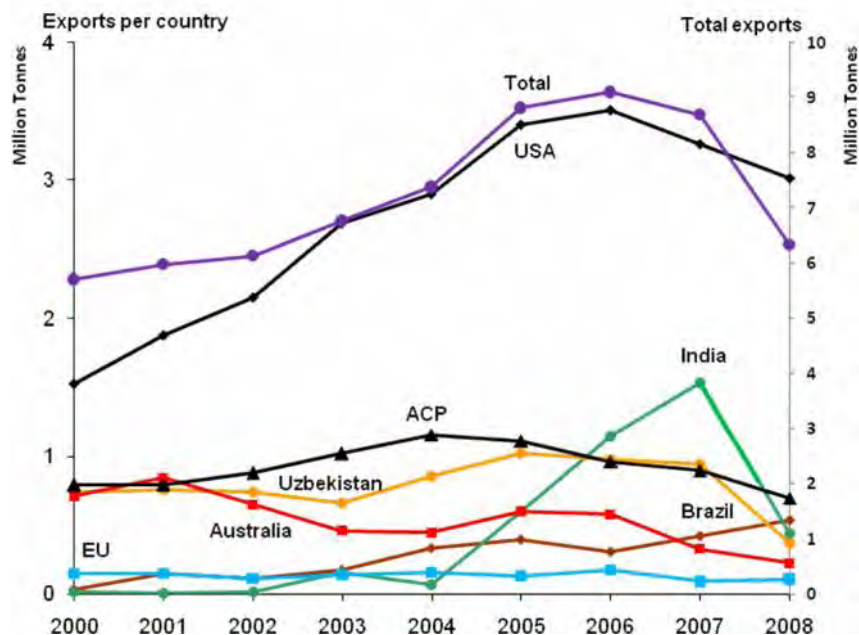
<sup>40</sup> The Free-On-Truck (FOI) is the price received by ginners at the factory door. It is the final product price most within the companies' control. FOB prices depend more on transportation costs than FOT prices.

<sup>41</sup> Tschirly D., Poulton C., Labaste P. Organization and performance of Cotton Sectors in Africa: Learning from reform experience. World Bank

<sup>42</sup> UNCTAD, <http://www.unctad.org/infocomm/anglais/cotton/chain.htm#world> online July 19 2010



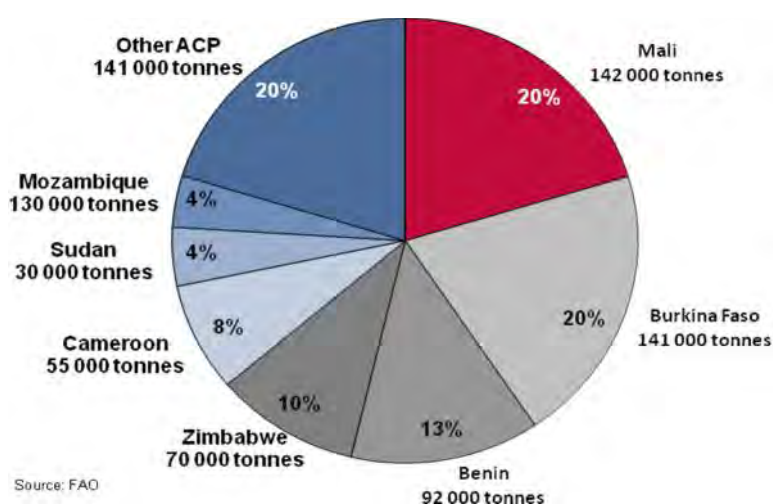
**Graph 33: Cotton lint exports from 2000 to 2008**



Source: FAOStat

The graph below represents shares of cotton lint exports among ACP countries in 2008. West African countries are the largest exporters, followed by East and Central African countries.

**Graph 34: Cotton lint export shares among ACP countries in 2008**

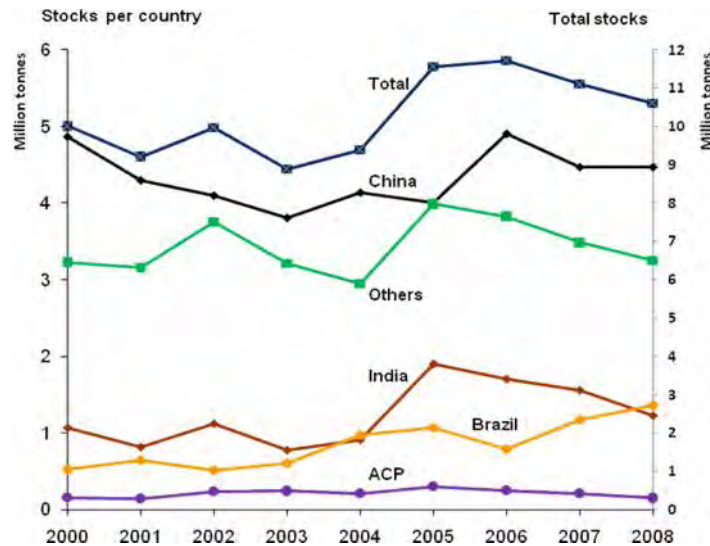


Source: FAO

Source: FAOStat

The graph below represents the evolution of world cotton stocks in the beginning of the season.

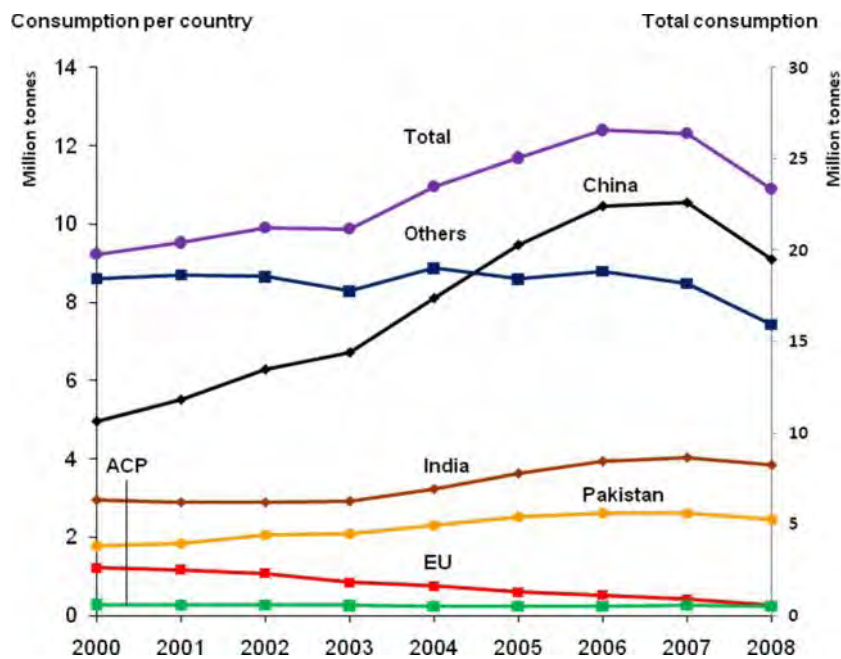
**Graph 35: Cotton lint beginning-of-season stocks between 2000 and 2008**



*Source: USDA Foreign Agricultural Service*

World cotton consumption has increased over the past decade until 2006 and then dropped. The variations have been mostly due to China (see graph below).

**Graph 36: Cotton lint consumption between 2000 and 2008**



*Source: USDA Foreign Agricultural Service*

### **3. Summary of the main findings arising from the desk and field analysis for the product**

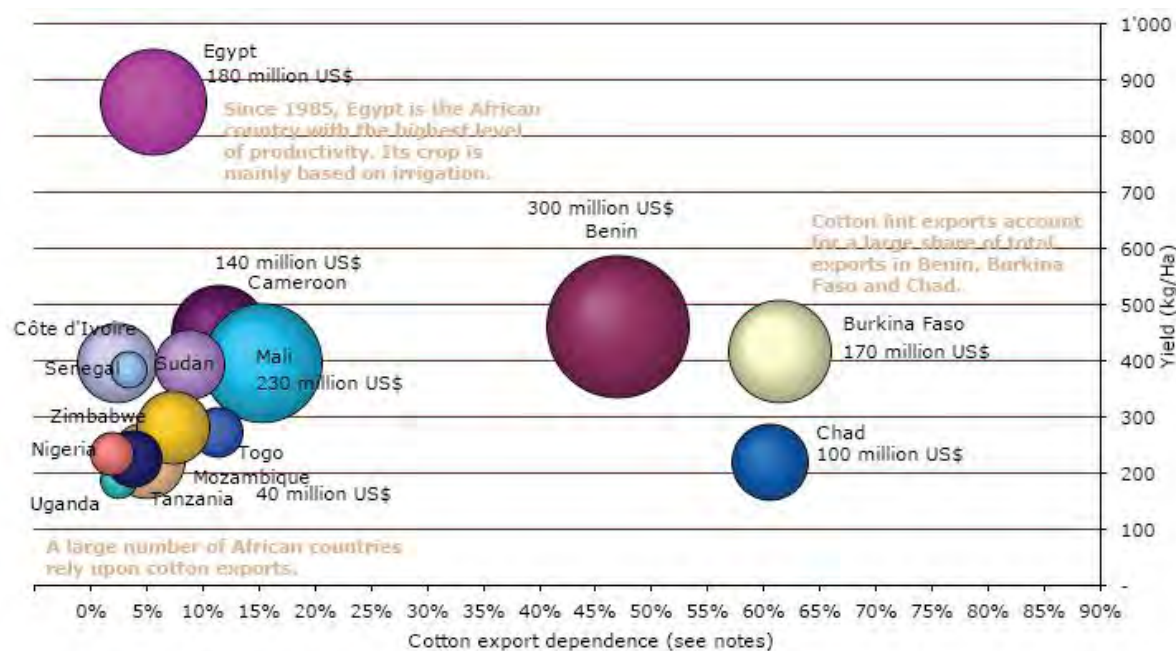
#### **3.1 Importance of cotton in analysed countries**

ACP countries represented around 2% of the world cotton production in 2008. Most of this production is located in West Africa, notably in Burkina Faso, Nigeria, Benin, Mali, Ivory Coast and Cameroon *(J.1.1)*.

- In Burkina Faso, the economy is highly dependent on cotton exports. In fact, cotton production is equivalent to 70% of country exports (average in value, 1999-2005), with a maximum of 77.3%. This corresponds to 40% of the agricultural gross domestic product (GDP). 300,000 farmers produce cotton and 2.5 millions of people live from cotton production. However, there is very limited cotton milled locally, equivalent to around 3% of the national production.
- In Ivory Coast, the cotton value chain has played an important role in the agricultural economy; cotton exports represent between 5 and 10% of total country exports (depending on years) and generate an annual turnover of around FCFA 120 billions (equivalent to around €0.18 billion), which represents 70 to 80% of foreign currency earnings in the country. In addition, the cotton value chain is the main driver of the development and rural growth in savanna zones. Around 180,000 producers are involved in the cotton production while 2.5 million people live from the cotton value chain.
- In Mali, cotton is the second export commodity (after gold). The cotton production contributes to 30% to 50% of the country exports (in value) and to 10% of GDP.

The graph below shows the average cotton yields of African cotton producing countries vs. their dependence on cotton exports. While their productivity is the lowest of ACP countries, Benin, Burkina Faso, and Chad are highly dependent on their cotton exports.

**Graph 37: Average cotton yields of African cotton producing countries vs. dependence on cotton exports, 2005-2009**



Source: UNCTAD, July 2011

### 3.2 Commission's overall support to cotton

In 2004, the Commission released a specific Communication for the cotton sector: COM (2004)87 proposing the EU-Africa Partnership in support of cotton sector development accompanied by the Action Plan for Cotton. Following this Communication, the Commission contributed to set up the *Cos Coton*, the joint EU-ACP Steering Group, to follow the implementation of the EU-Africa Cotton Action Plan **(J.1.3)**.

In the framework of the EU-Africa Partnership in support of cotton sector development, the Commission has supported specific interventions to tackle mainly the competitiveness issues of the cotton sector in ACP countries and to a smaller extent to cope with price variability **(J.1.4)**.

- Based on available information (inventory, online survey and the monitoring of the EU-Africa Partnership on Cotton), the Commission supported the cotton sector at regional and national levels in at least 18 ACP countries: Gambia, Malawi, Zambia, Mozambique, Central African Republic, Zimbabwe, Ivory Coast, Benin, Burkina Faso, Mali, Senegal, Uganda, Kenya, Tanzania, Togo, Chad, Sudan and Zimbabwe.
- The *All ACP Agricultural Commodities Programme* (AAACP) was launched in September 2007 as an initiative of the European Commission and the ACP Secretariat. Its global

objective is to improve incomes and livelihoods for ACP producers of traditional and other agricultural commodities, and to reduce income vulnerability at both producer and macro levels. One third of the total budget of the AAACP (15 M €) has been earmarked for specific activities in the cotton sector in ACP countries under supervision of the *Cos Coton*. These activities are implemented by five leading International Organisations (IOs), which are: Common Fund for Commodities (CFC); Food and Agriculture Organisation (FAO); United Nations Conference for Trade and Agriculture (UNCTAD); the World Bank (WB), and the International Trade Centre (ITC).

### 3.3 Commission's support to cotton strategies

In visited cotton producing ACP countries, the Commission did not address dependence as a priority in national development strategies (**J2.1**).

- In Burkina Faso, agriculture has not been a focal sector for 8<sup>th</sup> and 9<sup>th</sup> EDF. However the EU Delegation has participated in the elaboration of the National Programme for the Rural Sector (the elaboration process is still ongoing).
- In Tanzania, cash crops, including cotton, are more or less left out from the national agricultural strategy as they are in the hands of the private sector, and even if the cotton sector involves smallholders to a large extent. However, the value chain approach is promoted in the agricultural strategy, with insistence on the level of the production of agricultural commodities (in general, not specifically cotton) and their quality with higher prices.
- In Uganda, the design of commodities sub-programmes complementary to the new national agricultural development strategy is currently on the agenda of the policy dialogue between the Government and donors.

The Commission's support has stimulated the design of cotton strategies in some ACP countries and at regional level. However there is no evidence that these cotton strategies have been integrated in national and regional development strategies, except in Ivory Coast at national level (**J2.2**).

- The *All ACP Agricultural Commodities Programme* (AAACP) has supported African countries to develop and to start implementing regional cotton strategies. In West Africa (UEMOA) the cotton-textile agenda has been revised since 2010 while in East and Southern Africa (COMESA) the regional cotton strategy has been finalised with the support of ITC. In Central Africa (ECCAS) the Commission has also supported the cotton regional strategy.
- In Burkina Faso, the Commission has financed the diagnostic of the cotton value chain and the identification of strategy milestones (August 2007). Based on lessons learnt from this diagnostic, the Commission has then supported the development of the cotton *common strategy to exit from the 2007 cotton crisis* and the *mid-term and long term strategy* at national level. This last strategy has taken into consideration environmental aspects, but did not address other cross-cutting issues such as gender, child labour and other social rights.

- In Ivory Coast, the Commission supported the diagnostics of the cotton value chain (November 2006) before supporting the development of the cotton strategy<sup>43</sup> (October 2007). This strategy based on four milestones – setting up of a regulatory mechanism of the cotton value chain, competitiveness, development of regional and international partnerships, and complementary activities to cotton production – was approved and adopted by the Council of Ministries.
- In Tanzania, the Commission (through STABEX) helped in the past to define the cotton strategy

Analysed programming documents underline that the Commission has a long-standing experience in supporting the cotton sector. However this experience is that of particular EU Delegation staff rather than of the Institution. For example, this has been verified in Burkina Faso where EU Delegation staff experienced in cotton issues left for other positions outside the country.

In Burkina Faso, the Commission's interventions in designing cotton strategies have been complementary to those of the French cooperation (AFD), which finances the *Fonds de lissage*. In addition, the donors' discussions about the support to the cotton sector in Africa have been strengthened in the framework of the Forum about the EU-Africa Partnership, notably through the works of the Commission-EU Member States technical group **(J2.3)**.

### 3.4 Coordination of Commission's support to cotton

The coordination of donor support to African cotton occurs in the framework of the *Cos Coton*, which is the joint EU-ACP Steering Group set up after agreement on the EU-Africa Cotton Action Plan (2004). In addition, the *All ACP Agricultural Commodities Programme* (AAACP), which includes a specific support to the cotton sector (budget: €15 M), has been designed and implemented with a view to gathering all the international organisations (CFC, ITC, UNCTAD, WB and FAO) and coordinating their interventions in ACP countries.

Based on field visits, no evidence was found that the coordination with relevant international organisations in the cotton sector has increased at country level following the adoption of the Action Plans. However, several examples of coordination of the interventions supporting the cotton sector have been met **(J3.1)**.

- In Burkina Faso, where agriculture is not a focal sector, the donors' discussions in the framework of the Forum about the EU-Africa Cotton Partnership, notably through the works of the Commission-EU Member States technical group, have been strengthened. There is also a consultation/ technical group in the cotton sector where the leadership is ensured by the French cooperation (AFD), but with variable participation of the EU Delegation. In September 2008, the *Cos-Coton* organised a seminar on the introduction of genetically modified (GM) cottonseed in Africa.
- In Tanzania, with the exception of meetings organised by the *Cos Coton* to shape activities related to cotton, there is no evidence that the coordination with international organisations has increased in that sector after the Adoption of the Action Plans. The

<sup>43</sup> *Déclaration de stratégie de relance du secteur coton*, October 2007.

Commission stopped to support the basket fund in agriculture, which limits its influence on the Government in that matter (including in the cotton sector).

In Burkina Faso, the Commission's interventions in the cotton sector have been complementary to those of other donors **(J3.2)**. The *PAFFIC*<sup>44</sup> intervention, the World Bank's risk management intervention through the *AAACP* and the French intervention through the *Fonds de lissage* have been implemented in complementarity to support the cotton sector. However, national stakeholders wished the Commission's financial participation to support the *Fonds de lissage* to strengthen this important tool for cotton producers in the country.

The Commission is not a member of ICAC<sup>45</sup>, while ten Member States are members of this ICB **(J3.3)**.

### 3.5 Support to competitiveness of the cotton sector

In Burkina Faso, the Commission focused its support on the cotton sector without paying heed to the wider environment required for increased competitiveness of the cotton value chain; for example, land access is still a major issue in the country **(J3.1)**.

Even if interesting outputs have been delivered by Commission-supported interventions mainly in terms of infrastructures, agricultural techniques, storage and access to inputs, research, national and feeder road rehabilitation, they did not contribute to increase cotton production or lower the average cost of cotton production and processing **(J4.2)**.

- More specifically in Burkina Faso, the cotton production has decreased due to the 2007 financial crisis; however the Commission support has contributed to save the cotton value chain (SOFITEX representing 80% of the cotton production) from bankruptcy through clearing outstanding debts. Additional results have been obtained, mainly in terms of infrastructures and increased yields through Good Agricultural Practices (GAP) techniques, but at a small scale. Stabex funds have been used to provide subsidies to purchase inputs, to support the producer's organisation *Union Nationale des Producteurs de Coton du Burkina Faso (UNPCB)*, to set up an organic seed farm, to develop cultural techniques and seed production, to build rural infrastructures, to rehabilitate national roads. Results of this support have been appreciated by interviewed stakeholders but support was considered too limited to respond to real needs.
- In Ivory Coast, Stabex funds have supported applied cotton research, animal traction, seed multiplication and cotton classification. They have also provided subsidies to purchase inputs and equipment.
- In Tanzania, interesting outputs have been delivered, especially in the field of cotton research and quality measurement (national and regional levels). For example, Stabex funds were used to build research infrastructures, including laboratories and equipment, houses and buildings, as well as to support seed multiplication.

<sup>44</sup> Programmes financiers d'appui à la filière coton

<sup>45</sup> *International Cotton Advisory Committee*

- In Mali, Stabex funds have supported the rehabilitation of feeder roads (around 350-400 km).
- Under the *All ACP Commodities Programme*, the CFC has supported the cotton instrument testing project, the project on improved cotton production efficiency and the project on Prevention of Seed Cotton Contamination.

Mainly through the *All ACP Agricultural Commodities Programme*, the Commission support has contributed to improve the capacity of producers to respond to cotton market requirements (**J 4.3**). The World Bank and the CFC have supported the prevention of seed cotton contamination in West Africa (Burkina Faso, Mali and Ivory Coast). This activity has aimed at tackling the issue of (seed) cotton contamination through the development of improved harvesting techniques and other value chain improvements. In addition, with a view to improving quality and meet market requirements, Tanzania Bureau of Standards has become the reference to measure cotton quality, with dissemination of instrumental classification about cotton lint's strength, colours/brightness, maturity, and length.

In Burkina Faso, the Commission has supported the development of organic and fair-trade cotton production but at a small scale (around 8,000 producers joined two years after the beginning of activities). In addition, market information has been improved in some cases, through: market opportunity by including other crops within organic cotton production, regular information to producers on organic cotton; information exchange with Asian cotton producers; exchange with lint producers in Asia. On the whole it remains difficult to assess the impact of such activities.

In Ivory Coast, Stabex funds have been used to strengthen producers' organisation and refunding of cotton cooperatives.

There is no assessment of the impact of Commission-supported interventions in the cotton sector on incomes. In visited countries, there is no evidence that incomes of cotton producers and of the cotton sectors have improved as a result of the Commission support (**J4.4**).

As mentioned above, in Burkina Faso cotton production actually decreased by 50% between 2006 and 2010. Consequently cotton exports have been also reduced. At macro-economic level the cotton value chain generates financial loss for the country because it is subsidized by the Government and increased poverty for cotton producers as cotton prices do not keep up with increased costs of inputs. At micro level (producer's organisation level), there was no evidence of increased incomes, even if productivity has increased according to interviewed producers. Nevertheless, the Commission's support allowed the survival of the cotton value chain. Other positive results have been obtained, but rather on small scale. For example, the improvement of the gross margin for organic cotton in three years: from 140,000 FCFA/ha to 170,000 FCFA/ha, which is around 25,000 FCFA/ha higher than for traditional cotton.



### 3.6 Commission's support to risk management

In the cotton sector, the Commission has supported risk management issues under the *All ACP Agricultural Commodities Programme*. The World Bank has carried out activities at regional and national levels with a view to develop risk management tools. Outputs delivered so far are mainly trainings related to cotton price risk management such as the three-day training event held in Mombasa, Kenya in June 2011, for over fifty attendees from the East African cotton sector. The World Bank also started to develop a weather risk management system in Burkina Faso, which will cover cotton producers.

In Uganda, an attempt was made to put in place a risk management system/ hedge fund specific to the cotton sector, but this tool has not been implemented due to divergences between the Government and the private sector.

Stabex funds have been mainly used with a view to improving competitiveness of the cotton value chain in Burkina Faso whilst in Cote d'Ivoire they have also been partially used to compensate (directly or indirectly) producers for their price-related losses.

- In Burkina Faso, *Stabex funds* have been partially used to support the competitiveness of the cotton value chain. These funds covered studies, trainings, debt repayments and the building of infrastructures (such as rural buildings or roads).
- In Ivory Coast, *Stabex funds* have largely supported activities directly related to cotton: institutional restructuring, technical assistance, animal traction agriculture, support to Inter Coton, debt clearing, various studies, compensation for farmers & employees of LCCI<sup>46</sup>, tracks in cotton areas, seeds programme, as well as the rehabilitation of the classification facility. In addition, *Flex* directly supported the cotton sector by compensating CIDT<sup>47</sup> workers, by supporting the rehabilitation of roads/ tracks in cotton areas and by supporting cotton producer organisations (2006-2007). In 2008, Flex was also used to finance the cotton recovery plan.

The Commission did not support the development of a safety net in complement to its support to the cotton value chain in ACP countries **(J5.2)**.

There is no evidence that income variability and vulnerability to price fluctuations of cotton producers, cotton sector and cotton countries have declined as a result of interventions supported by the Commission in risk management tools. It is too early to assess impact of the World Bank's activities implemented under the *All ACP Agricultural Commodities Programme* **(J5.3)**.

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<sup>46</sup> Compagnie cotonnière ivoirienne

<sup>47</sup> Compagnie ivoirienne du développement du textile

### **3.7 Commission's support to diversification**

The Commission did not support ACP producers to leave cotton production for other cash or food crops, or other activities through rural development programmes (*J6.2*). However, diversification within agricultural production was supported at producer level through introduction of new crops within the crop rotation or through soil fertility improvement in the production of organic and fair-trade cotton. But this support has been brought to a limited number of producers' organisations (e.g. Burkina Faso).

### **3.8 Cross-cutting issues in Commission support to cotton**

The Commission's support to the cotton sector has not systematically taken into account transversal policies such as gender, environment and corporate responsibilities (*J7.3*).

- In Burkina Faso, the Commission support to soil fertility in the organic and fair-trade cotton sector has explicitly targeted women, has taken into consideration environmental sustainability without using chemical fertilisation/pesticides, as well as has included a certification including social responsibilities criteria. The other interventions in the cotton sector have not applied specific transversal policies and measures.
- In Mali, gender aspects have been observed in the alphabetisation component of the support to the cotton sector. Moreover, the Commission has supported trainings related to cotton production sustainability and soil preservation.

### **3.9 Different financing instruments and modalities in cotton interventions**

In visited countries, cotton interventions were financed through different financing instruments, but complementarities of these instruments with a view to facilitate the achievement of the COM's objectives have been questioned (*J 8.1, J8.2*).

- One third of the All ACP Agricultural Commodities Programme (€15 M) has been earmarked to the cotton sector.
- In Burkina Faso, the cotton sector has been supported through different tools and interventions:
  - Stabex funds were spent to carry out studies and training, build infrastructures for cotton producers and rural communities, as well as pay off debts of cotton producers and SOFITEX (cotton textile industry)
  - The Programme PAFFIC (a sector budget support) was used to support the recapitalization of producers' shares in cotton companies within the strategy to get the country out of the cotton crisis (2007)
  - Regional funds supported Cotton University and the Cotton strategy for UEMOA
  - The Food line has funded a programme to improve soil fertility in the organic cotton sector
  - Specifically through the All ACP programme, different activities have been supported in the cotton sector: Strategy Implementation in cotton sector through

ITC, prevention of seed contamination by CFC/World Bank, Integrated Production and Pest Management (IPPM) and Good Agricultural Practices (GAP) through FAO, and supply chain risk assessment through the World Bank.

- A Flex has been prepared, but it will be used as general budget support.
- In Ivory Coast, the Commission used Stabex funds, EDF and Flex to support the cotton sector.

Different modalities have been also used to support the cotton sector in ACP countries **(J8.3)**:

- Sector (cotton) budget support in Burkina Faso and Mali;
- A programme approach such as the *All ACP Agricultural Commodities Programme* ;
- A project approach such as the soil fertility project supporting organic and fair-trade cotton in Burkina Faso.

A large number of interventions and/or activities have been delayed. In Burkina Faso, soil fertility project supporting organic and fair-trade cotton, the intervention PAFFIC and the project of prevention of seed cotton contamination have been delayed. In addition, the All ACP programme and activities of the *Cos Coton* have been also delayed

### **3.10 Alignment with the beneficiaries' needs, priorities and with the COMs**

Before designing its support to the cotton sector, the Commission conducted analyses of needs and challenges with a view to responding to the needs, problem's and issues of the cotton sector **(J9.1)**.

- In Burkina Faso, the Commission financed the diagnostic of the cotton value chain and the identification of strategy milestones (August 2007), which enabled the preparation of the strategy to exit from crisis.
- In Mali, an analysis of the cotton sector was available in the Annex of the Financing agreement of the intervention PARFC<sup>48</sup>, which defined global and specific objectives of the Commission support, including privatisation of the cotton sector, setting up of a regulation office, the integration of price mechanisms and support fund to producers, as well as support to build rural roads. However contradictions appeared between the choice of the Government to liberalise the cotton sector and several national stakeholders which were against the liberalisation of the cotton sector; in that matter, the facilitator of the EDF management office played an important role to tackle these problems.
- In Ivory Coast, the Commission financed the diagnostic of the cotton value chain and the identification of strategy milestones (November 2006).

Based on lessons learnt from diagnostics, the Commission defined a strategy to support the cotton sector, with alignment to beneficiary country's priorities and cotton sector strategies

<sup>48</sup> *Programme d'appui à la Réforme de la Filière Coton*

**(J9.2).** At regional level, the Commission supported the Cotton University and UEMOA took into account needs identified with regional stakeholders. At country level, different examples show that identified and country priorities have been addressed:

- All interventions in the cotton sector in Burkina Faso have been aligned on the cotton strategies designed at national level. Commission support has contributed to:
  - finance the strategy to get the cotton value chain out of the 2007 crisis, based on lessons learnt from the diagnostic of this value chain
  - assist in defining the mid-long term strategy for the cotton sector
  - improve the cotton quality
  - improve soil fertility in the organic cotton sector
  - initiate climate risk management tool
- In Mali, the Commission support has been aligned with the *Cadre stratégique du Développement du Secteur Coton*.
- In Ivory Coast, the national cotton strategy<sup>49</sup> has been approved and adopted by the Council of Ministers. All other Commission-supported interventions carried out in the cotton sector have been in line with that strategy.

In Burkina Faso, the Commission support to the cotton is aligned to the objectives of both Communications especially the EU-Africa Cotton Action Plan. For example, the intervention PAFFIC has contributed to two objectives of the COM (2004)<sup>89</sup> **(J 9.3)**

- Raised competitiveness - Coping with long term price decline (R2)
- Compensatory instruments/ risk management (R3)

#### **4. Overall assessment**

Amongst all the agricultural products supported by the Commission in ACP countries, cotton has been the most popular. In the context of a declining price trend for cotton, the Commission wrote a specific Communication targeting cotton, COM (2004)<sup>87</sup>. This Communication introduced the EU-Africa Partnership in support of cotton sector development accompanied by the Action Plan for Cotton. A joint EU-ACP Steering Group, the *Cos Coton*, was also created with a view to following the implementation of the EU-Africa Cotton Action Plan and coordinating EU donors' efforts in support of the cotton sector in Africa.

According to *Cos Coton*, contracted amounts to support the cotton sector since 2004 in Africa have been equivalent to around €170 M. This support has benefited African regions (UEMOA, COMESA, ECCAS) and at least 18 African countries: Gambia, Malawi, Zambia, Mozambique, Central African Republic, Zimbabwe, Ivory Coast, Benin, Burkina Faso, Mali, Senegal, Uganda, Kenya, Tanzania, Togo, Chad, Sudan and Zimbabwe.

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<sup>49</sup> *Déclaration de stratégie de relance du secteur coton*, October 2007.

While agriculture was rarely a focal sector for the Commission for the period under review, Stabex funds (mainly from the 1990s) and the Flex mechanism (in Ivory Coast) were the two main funding tools used to support the cotton sector. In addition, the *All ACP Agricultural Commodities Programme* launched in the framework of the general COM(2004)89 devoted one third of its global budget (€15M) to the implementation of cotton sector development in Africa.

The bulk of the Commission support to the cotton sector was devoted to carry out diagnostics and studies, to design regional and national cotton development strategies, such as in Ivory Coast and the strategy to exit from the 2007 crisis in Burkina Faso, as well as to raise competitiveness of the cotton value chains in ACP countries. Cotton price and climate risk management, as well as cotton quality have been recently tackled, mainly through activities carried out in the framework of the *All ACP Agricultural Commodities Programme*.

As a result of Commission-supported interventions, different outputs have been delivered. Roads and feeder roads in the cotton areas were rehabilitated. Debts have been cleared (in Burkina Faso and Ivory Coast) and reforms of the cotton sector have been pushed forward. The process to improve cotton quality has been initiated, notably through the support of the *All ACP Agricultural Commodities Programme* (e.g. prevention of seed contamination and the cotton quality assessment at regional level through the Tanzanian Bureau of Standards).

Despite all these efforts, cotton production and exports have decreased over the period under review. In addition, there is no evidence that cotton producers' and countries incomes have increased or stabilised. However, the Commission support allowed the survival of the cotton value chains in Ivory Coast and Burkina Faso.

Competitiveness of the cotton sectors has not improved as a result of the Commission support. In Burkina Faso and in Ivory Coast, cotton production is a kind of "safety net" for a large part of the rural population. The Commission interventions in these countries may thus be termed to have limited the negative social impacts of the cotton crises on rural population.

Finally, strategies have been designed at national and regional level and have been recently implemented with a view to developing the cotton sectors in ACP countries. The challenge is now to ensure that ACP countries pursue the implementation of these strategies with a view to improving the competitiveness of their cotton sectors.

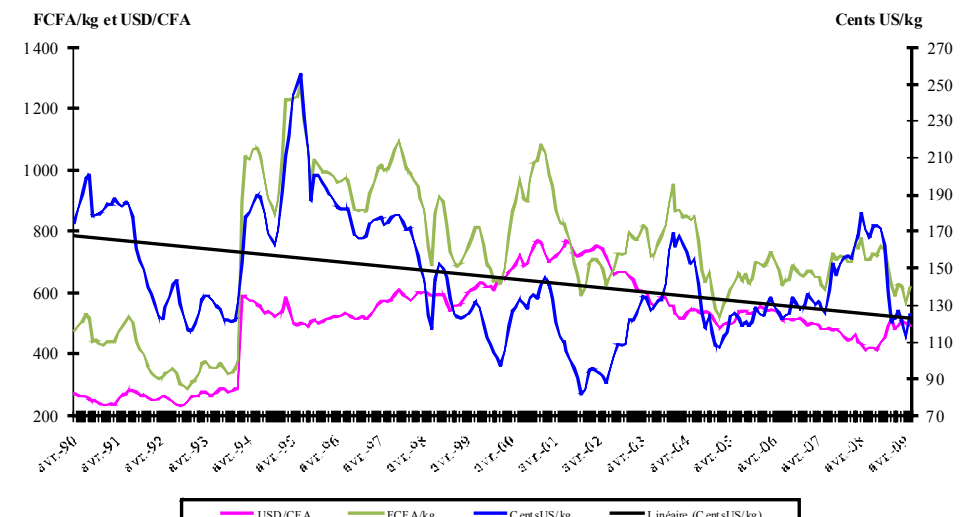


# Cotton - Data collection grid

## EQ1 on the contextual background to the Commission's Communication relative to agricultural commodities

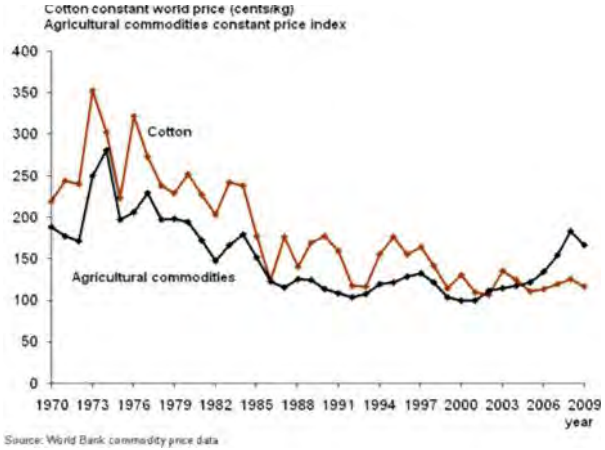
In what ways has the Commission reacted to the long term agricultural commodities price decline and volatility when supporting Commodity Dependent Developing Countries?

<b>J.1.1</b>	<i>Commodity dependence characterises a majority of ACP countries</i>																								
<b>BF Coton</b>	<p>L'économie du BF reste très dépendante de ses exportations agricoles: 60 à 70% des recettes d'exportation sont réalisées par la vente de coton qui contribue pour plus de 40% au PIB agricole (coton et activités connexes) et fait vivre directement ou indirectement 2,5 millions d'habitants</p> <p>Le coton est exporté à plus de 95% sous forme de fibre, les recettes générées par la filière étant donc fortement dépendantes de l'évolution des cours mondiaux du coton.</p>																								
<b>I.1.1.2</b>	The evolution of the degree of commodity dependence of ACPs over time (15 years)																								
<b>BF Coton</b>	<p>Les produits de coton ont contribué, en moyenne, à 70% dans les exportations du pays sur la période 1999-2005, avec un record de 77,3% atteint en 2004.</p> <div data-bbox="391 1115 1316 1518" style="text-align: center;"> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Années</th> <th>En milliards de FCFA</th> <th>Pourcentage</th> </tr> </thead> <tbody> <tr> <td>1999</td> <td>92,4</td> <td>69,9</td> </tr> <tr> <td>2000</td> <td>78,3</td> <td>67,2</td> </tr> <tr> <td>2001</td> <td>81,4</td> <td>64,5</td> </tr> <tr> <td>2002</td> <td>76,0</td> <td>64,4</td> </tr> <tr> <td>2003</td> <td>136,7</td> <td>73,0</td> </tr> <tr> <td>2004</td> <td>159,9</td> <td>77,3</td> </tr> <tr> <td>2005</td> <td>134,1</td> <td>76,6</td> </tr> </tbody> </table> </div> <p>La filière coton représente plus de 60% des recettes d'exportations totales, environ 55% des recettes en devises. Il contribue pour plus de 40% au PIB agricole (coton et activités connexes) et fait vivre directement ou indirectement 2,5 millions d'habitants</p> <p>La filature locale n'absorbe que 3% de la production de fibre), la majeure partie de la production est exportée et les revenus sont fortement tributaires des cours mondiaux.</p> <p>Sources : <i>Diagnostic de la filière coton et identification d'axes stratégiques,, Rapport final 2007.</i>  <i>Etude prospective sur la filière coton au Burkina Faso. Rapport général, 2010</i>  <i>Etude prospective sur la filière coton au Burkina Faso. Rapport d'étude rétrospective, 2009</i></p>	Années	En milliards de FCFA	Pourcentage	1999	92,4	69,9	2000	78,3	67,2	2001	81,4	64,5	2002	76,0	64,4	2003	136,7	73,0	2004	159,9	77,3	2005	134,1	76,6
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<b>I.1.1.3</b>	Main agricultural commodities exported by ACPs (falling under the criterion of commodity dependence) over the last 10 years
<b>Coton</b>	<p>Le secteur coton burkinabé a connu un développement très important depuis 1994. Il concerne plus de 300.000 producteurs, touche directement plus de 3 millions de personnes, et contribue à hauteur de 60 à 70 % aux recettes d'exportation selon les années et à environ 5 % du PIB (15 % du PIB agricole). Il faut noter qu'en raison des difficultés qu'a connues la filière cotonnière, les exportations du coton (qui représentaient jusqu'en fin 2006 en moyenne 60% des exportations totales) ont baissé en 2007 de 18% en valeur, soit 1.5 point de PIB. De ce fait, les exportations du coton ne représentaient plus que 56.4% des exportations totales en 2007. <i>Source : Allocation signature CF ; Note dossier CF-PAFFIC, 1<sup>ère</sup> tranche</i></p> <p>La filière cotonnière représente pour le Mali un enjeu fondamental dominant toutes autres productions agricoles. Le coton est le second produit d'exportation après l'or et est au centre des activités de 165.000 exploitations dont dépendent 3 millions de personnes (FIP, §3). Il contribue à hauteur de 30 à 50 % aux recettes d'exportation selon les années et à environ 10% du PIB. <i>Source ; ROM/BCS</i></p>
<b>J.1.2</b>	<b>Prices of agricultural commodities exported by ACPs have demonstrated a long-term declining trend and high volatility</b>
<b>BF Coton</b>	<p>La tendance baissière du prix du coton sur le long terme est confirmée pour la période allant de 1990 à 2008, mais la tendance s'infléchit et commence à s'inverser si on étend la période jusqu'avril 2011 en raison de la hausse exceptionnelle des cours du coton</p> <p>La volatilité des cours du coton est confirmée pour la période 2000-2008 et s'est encore accrue depuis 2008. La dépréciation du dollar face à l'Euro entre 2002 et 2010 a constitué un facteur aggravant pour les filières cotonnières africaines de la zone FCFA dont fait partie le BF.</p>
<b>I.1.2.1</b>	Overall price trend of agricultural commodities over the last 50 years
<b>Overall Coton</b>	<p><b>Infléchissement de la tendance baissière depuis 1990, en comparant la période avril 1990-à avril 2009 et avril 2009 à mars 2011</b></p> <p><b>Evolution, d'avril 1990 à avril 2009, des prix du coton selon l'indice A de Cotton Outlook, en cents USD/kg et en FCFA/kg</b></p>  <p>N.B. : 1<sup>er</sup> janvier 1994, dévaluation du FCFA</p>



	<p style="text-align: center;"><b>Evolution, d'avril 1990 à mars 2011, des prix du coton selon l'indice A de Cotton Outlook,</b> <b>en cents USD/kg et en FCFA/kg</b></p> <p style="text-align: center;">N.B. : 1<sup>er</sup> janvier 1994, dévaluation du FCFA Sources: <i>Mise à jour relative au partenariat Union européenne – Afrique sur le coton, mai 2009</i> <i>Mise à jour relative au partenariat Union européenne – Afrique sur le coton, mai 2011</i></p>
<p><b>TZ</b> <b>Cotton</b></p>	<p>Cotton price is not really an issue: Tanzania has been getting good prices; the problems are more with the tempering of the scales (buyers) which does not occur with contract farming.</p> <p>Marketing system goes through agents on the field. We want to change that way: farmers should be sellers; the agent is not needed. Need to link directly the farmer and the industry. If we change that, price will be better for farmers. The price for farmers is directly linked to the world price. <i>Source: MN 649</i></p>

<b>I.1.2.2</b>	Price trend of CDDCs main agricultural commodities over the last 50 years
<b>Cotton</b>	<p style="text-align: center;"><b>Evolution of cotton world prices (in constant year 2000 US cents/kg) and of the agricultural commodities world constant price index (year 2000 = 100)</b></p>  <p style="text-align: center;">Source: World Bank commodity price data</p> <p>The prices of cotton have undergone important fluctuations over the 1970 to 2009 period, alternating sharp price spikes and drops in three to four year periods. The cotton index and agricultural commodities index have followed a quite similar evolution but began to diverge in the 2000s, with cotton prices stagnating and agricultural commodity prices rising. <i>Source: Cotton Product fiche (from World Bank Commodity Price Data)</i></p>
<b>I.1.2.3</b>	Product specific issues having affected individual products' prices over the last 10 years
<b>Cotton</b>	<p>Moins de 5% du coton du Mali, du Burkina Faso et du Bénin font actuellement l'objet de transformation substantielle et ce malgré l'existence d'un réel potentiel de valeur ajoutée qui se trouve annihilé par des facteurs aussi bien endogènes qu'exogènes. (<i>Source : RSP 2008-2013 p.16</i>).</p> <p>Dans la sous-région UEMOA, la détérioration des exportations en proportion du PIB, que l'on peut attribuer à la détérioration des exportations de coton du Mali et à la baisse des prix à l'exportation du cacao de la Côte d'Ivoire, a conduit à un déficit croissant de la balance courante de cette sous-région. (<i>Source : WAF RSP 2008-2013 p.14</i>)</p> <p>The 1970s oil crisis led to a price boom which was followed by a general downward trend in the 1980s. The decline of the 1980s was triggered by a change in U.S. commodity policy and by China's policies increasing domestic production. The degree of price volatility has changed over the past 40 years. Volatility became very important between 1973 and 1984. From 1985 to 1992, price variability reduced by half but still remained significant. The cotton price increase of 2007-2008 has not been as important as the general commodity price boom but was still larger than the agricultural raw materials price increase. This is explained by a less important linkage of cotton to food and fuel prices than other commodities.</p> <p>World prices are also affected by movements of the U.S. dollar since world cotton prices are expressed in dollars (as are most commodities). The price decline in the end of the 1990s and early 2000s is partly due to the increase in the U.S. dollar strength after the East Asian financial crisis. Similarly, the weakness of the U.S dollar in the mid-</p>

	<p>2000s contributed to the commodity price increase.</p> <p>In CFA countries, the local currency is pegged to the Euro (to the French Franc before 2000) and is therefore dependant on exchange rate variations between the Euro and the Dollar. Devaluations of the Euro compared to the Dollar make CFA exporters more competitive.</p> <p>An important factor contributing to world prices is the subsidies granted to cotton producers, mainly in the United States. These subsidies are estimated to depress world prices by approximately 10 to 15 percent. <i>Source: Cotton Product Fiche</i></p>
<b>Overall Cotton</b>	<p>Quelques aspects spécifiques ont affectés les prix du coton au cours des 10 dernières années :</p> <ul style="list-style-type: none"> <li>▪ Des progrès technologiques conduisant à une diminution des coûts de production du coton et poussant à la baisse les cours mondiaux. En particulier, il faut mentionner le coton génétiquement modifié, qui est passé de 15% des superficies mondiales en 2000 à près de 55% en 2008/09.</li> <li>▪ La libéralisation du marché mondial des textiles, intervenue à l'OMC en janvier 2005, a donné une forte impulsion à l'industrie textile chinoise ce qui s'est traduit par une importante progression de la Chine dans la consommation mondiale de coton fibre.</li> <li>▪ Les subventions au coton accordées par de grands pays producteurs et exportateurs, en particulier les Etats-Unis (1<sup>er</sup> exportateur, 3<sup>ème</sup> producteur mondial). Ces subventions qui pèsent sur les cours mondiaux du coton sont toujours au cœur des négociations du cycle de Doha entamées en 2001 et non encore abouties</li> <li>▪ Le très fort développement du coton en Inde, devenue en quelques années second producteur mondial de coton derrière la Chine et 2<sup>ème</sup> exportateur après les Etats-Unis</li> <li>▪ En Afrique, la dépréciation du dollar face à l'Euro/FCFA a pénalisé le coton africain produit dans la zone FCFA où l'on trouve les plus grands pays producteurs africains. En effet, un long mouvement de dépréciation du dollar par rapport à l'Euro/FCFA s'est enclenché dans le courant de 2002 pour atteindre un point bas en juillet 2008 où on ne recevait plus en moyenne que 416 FCFA pour 1 USD, soit 45% de moins que lors des plus hauts de 2002 (1 USD = 753 FCFA en février 2002). D'août 2008 à mars 2011, la dépréciation du dollar s'est un peu atténuée pour se situer en moyenne à 482 FCFA pour 1 USD.</li> </ul> <p><i>Sources: Mise à jour relative au partenariat Union européenne – Afrique sur le coton, juin 2010 et mai 2011. Le coton dans le monde, place du coton africain et principaux enjeux, Berti et al., 2006</i></p>
<b>J.1.3</b>	<b><i>The Commission has adapted its support to CDDCs to the constraints revealed by long term price decline and short term price volatility</i></b>
<b>BF Cotton</b>	<p>Deux instruments spécifiques ont été définis pour adresser la tendance baissière du prix du coton:</p> <ul style="list-style-type: none"> <li>▪ STABEX: amélioration de la compétitivité (infrastructures, études et formation) et réponse partielle à la crise financière du secteur (études et apurement de dettes). Toutefois, il n'y a pas d'évidence d'un suivi/évaluation de l'utilisation du STABEX</li> <li>▪ Plus récemment, le FLEX: mais qui est utilisé sous forme d'appui budgétaire</li> </ul> <p>Les interventions de la Commission sont surtout orientées vers l'amélioration de la compétitivité, le déclin des prix à long terme du coton dans un environnement de plus en plus concurrentiel, en renforçant l'urgence. En plus de celles du STABEX :</p> <ul style="list-style-type: none"> <li>▪ PAFFIC (sous FED): recapitalisation de la part des producteurs (UNPCB) dans les sociétés cotonnières, liée à une stratégie de sortie de crise</li> <li>▪ Amélioration de la fertilité des sols en coton biologique (sous ligne Food)</li> </ul>

	<ul style="list-style-type: none"> <li>▪ Appui à l'Université du coton (sous FED/PIR)</li> <li>▪ Programme Tous ACP: Développement de la chaîne de valeur orientée vers le marché (ITC), prévention de la contamination du coton (CFC/ IFDC/BM), Bonnes pratiques agricoles (BPA)/ Gestion Intégrée de la Production et des Déprédateurs(GIPD) (FAO), standardisation de la mesure expérimentale du coton (CFC)</li> </ul> <p>La problématique de la volatilité des prix du coton n'a pas été appuyée par la Commission. Toutefois, plus récemment (2010), dans le cadre du programme tous ACP, des appuis mis en œuvre par la Banque mondiale (ARMT) se sont orientés vers la problématique de la variabilité des prix dans une approche globale de la gestion des risques de la filière coton du BF (prix, climat, etc.)</p>																																				
<b>I.1.3.1</b>	Evidence (reports, publications, internal notes) that the Commission has monitored agricultural commodities price and market developments and analysed their impact upon CDDCs																																				
<b>Overall Cotton</b>	Dans le cadre du Partenariat UE-Afrique sur le coton / COS-coton, un suivi des de l'évolution des prix du coton, des évolutions du marché et leur impact sur les filières cotonnières africaines est régulièrement mis à jour, surtout depuis 2007, annuellement. <i>Sources : Mise à jour relative au partenariat Union européenne – Afrique sur le coton, juin 2010 et mai 2011</i>																																				
<b>I.1.3.3</b>	Periodic evaluations of the Commission's aid effectiveness relating to support to CDDCs' agricultural commodities sectors and re-orientation of the financing instruments used (STABEX, FLEX, SAF, BAM)																																				
<b>Overall Cotton</b>	Une évaluation à mi-parcours du Partenariat UE-Afrique sur le Coton - Rapport final - Juin 2009, a été produite, évaluant notamment l'efficacité des appuis aux filières cotonnières africaines dans le cadre du Partenariat. <i>Source : évaluation a mi-parcours du Partenariat UE-Afrique sur le Coton - Rapport final - Juin 2009</i>																																				
<b>I.1.3.4</b>	Launching by the Commission of specific projects to tackle the constraints faced by CDDCs due to price decline and variability																																				
<b>Cotton</b>	Based on information gathered by the <i>Cos Coton</i> and updated as of 20 <sup>th</sup> June 2011, the EC support to the cotton sector in Africa is provided in the table below. <table border="1" data-bbox="391 1473 1342 1998"> <thead> <tr> <th>Programmes / Projects / Activities</th> <th>Contracted amount (€)</th> <th>Disbursed amount (€)</th> <th>Beneficiaries</th> </tr> </thead> <tbody> <tr> <td>All ACP Agr Commodities Programme: EU Commodity Action Plan &amp; EU-Africa Partnership on Cotton</td> <td>16,100,000</td> <td>8,200,000</td> <td>C4 + All African Producers</td> </tr> <tr> <td>Conference on GM cotton</td> <td>309,605</td> <td>300,000</td> <td>C4 + All African Producers</td> </tr> <tr> <td>Support to the functioning of the COS</td> <td>189,885</td> <td>188,235</td> <td>All African Producers</td> </tr> <tr> <td>Study on the "Université du Coton" concept</td> <td>95,686</td> <td>95,686</td> <td>All African Producers</td> </tr> <tr> <td>Mid Term Evaluation of the EU-Africa Partnership on cotton</td> <td>162,331</td> <td>162,331</td> <td>All African Producers</td> </tr> <tr> <td>"Programme d'Appui Régional de l'Intégration"(PARI) - Support to regional integration -Classification of cotton /West Africa</td> <td>3,000,000</td> <td>3,000,000</td> <td>All African Producers</td> </tr> <tr> <td>Support to national reform of the cotton sector/Sectoral Support</td> <td></td> <td></td> <td>Benin</td> </tr> <tr> <td>- budgetary support with sectoral conditionalities</td> <td>9,200,000</td> <td>7,360,000</td> <td>Benin</td> </tr> </tbody> </table>	Programmes / Projects / Activities	Contracted amount (€)	Disbursed amount (€)	Beneficiaries	All ACP Agr Commodities Programme: EU Commodity Action Plan & EU-Africa Partnership on Cotton	16,100,000	8,200,000	C4 + All African Producers	Conference on GM cotton	309,605	300,000	C4 + All African Producers	Support to the functioning of the COS	189,885	188,235	All African Producers	Study on the "Université du Coton" concept	95,686	95,686	All African Producers	Mid Term Evaluation of the EU-Africa Partnership on cotton	162,331	162,331	All African Producers	"Programme d'Appui Régional de l'Intégration"(PARI) - Support to regional integration -Classification of cotton /West Africa	3,000,000	3,000,000	All African Producers	Support to national reform of the cotton sector/Sectoral Support			Benin	- budgetary support with sectoral conditionalities	9,200,000	7,360,000	Benin
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- Complementary assistance (institutional support, evaluation, audit)	800,000	0	Benin
Rehabilitation of rural roads in cotton areas	7,850,000	7,062,237	Benin
Support to "Association interprofessionnelle du coton" (AIC) (STABEX funding)	45,000	45,000	Benin
Coton Sector Support (recapitalisation of the cotton companies by participation of the cotton producers through a grant to UNPCB)	10,000,000	10,000,000	Burkina Faso
FOOD/2007/144-063 - Amélioration de la fertilité des sols dans les exploitations biologiques de la zone cotonnière du Burkina Faso	1,053,697	206,830	Burkina Faso
Compensation cotton exportations	9,420,000	0	Burkina Faso
University of cotton UPB - AProCA Subsidy (on convention UEMOA contribution 9th EDF)	687,500	0	All African Producers
Support to institutional restructuring (Stabex)	304,898	225,017	Côte d'Ivoire
Support to Animal traction agriculture (Stabex)	4,249,157	3,895,029	Côte d'Ivoire
Support to Cotton Producer Organisations (Stabex)	1,524,490	1,411,744	Côte d'Ivoire
Short Term Technical Assistance to Ministry of Agriculture (Stabex)	147,889	146,047	Côte d'Ivoire
LT TA Support to InterCoton (Stabex)	392,757	193,750	Côte d'Ivoire
AT Coton LT au MinAgr (Stabex)	195,080	195,080	Côte d'Ivoire
Public debts clearing (Stabex)	10,977,026	10,977,026	Côte d'Ivoire
Public debts clearing (Stabex)	14,334,711	14,332,852	Côte d'Ivoire
Various studies (Stabex)	496,340	496,093	Côte d'Ivoire
Compensation for farmers & employees of LCCI (Stabex)	9,817,717	9,696,996	Côte d'Ivoire
Tracks in coton areas (Stabex)	4,581,795	2,832,979	Côte d'Ivoire
Seeds Programme (Stabex)	477,882	301,194	Côte d'Ivoire
Rehabilitation classification facility (Stabex)	990,919	941,369	Côte d'Ivoire
Compensation workers CIDT (FLEX 2006-2007)	2,000,000	1,591,785	Côte d'Ivoire
Rehabilitation of roads/tracks in cotton growin areas (FLEX 2006-2007)	11,000,000	0	Côte d'Ivoire
Support to Cotton Producer Organisations (FLEX 2006-2007)	600,000	0	Côte d'Ivoire
Support to cotton recovery plan (FLEX 2008)	10,000,000	0	Côte d'Ivoire
Support to sectoral reform			Mali
- Mali state - Fixed ranche	3,000,000	3,000,000	Mali
- Mali State - Variable Tranche	5,000,000	5,000,000	Mali
- Literacy component	1,500,000	1,500,000	Mali
- Rehabilitation of tracks in cotton areas	4,101,686	4,101,686	Mali
Compensation organic and fair-trade cotton	600,000	540,000	Mali
Institut national du coton : extension & TA for diversification by small producers of sub-contractors	5,000,000	4,700,000	Mozambique
Institutionalstrengthening of the national cotton institute, rehabilitation of classification laboratories, equipements & vehicules	1,550,000	1,550,000	Mozambique

National institute of agr research: identification, adaptation & multiplication of cotton varieties	1,500,000	1,500,000	Mozambique
Extension & TA to small producers of sub-contracitin companies to strengthen cotton farming system	400,000	242,459	Mozambique
Cotton arrears settlement (debt payments)	4,000,000	4,000,000	Centrafrican republic
Cotton quality, diversification & strengthening of producer organisations	4,000,000	2,486,000	Sénégal
Project in support of cotton sector reform	174,242	174,242	Chad
Rehabilitation of tracks			
- Cotton tracks (Stabex 90-94)	3,630,691	3,278,323	Togo
- Cotton tracks (Stabex 95-99)	999,555	951,466	Togo
- Cotton tracks (Stabex 95-99)	4,031,263	3,776,193	Togo
Sectoral support			Togo
- HR study SOTOCO	172,000	170,152	Togo
-Support to restructuring & consolidation of cotton PO	1,393,830	1,393,830	Togo
-Funding of shares of producers federation in capital base of Sotoco	1,243,182	1,243,182	Togo
- Multi-purpose storage facilities	1,305,883	991,297	Togo
Cotton training centre/ Coton research institute	3,121,146		Zimbabwe
Training & capacity building for small cotton farmers	1,153,000	1,147,384	Zimbabwe
Supporting the training of cotton farmers	754,900	686,625	Zimbabwe
Supporting the training of cotton farmers	565,000	495,318	Zimbabwe
<b>Total</b>	<b>180,200,743</b>	<b>126,785,437</b>	-

Note: C4= Benin + Burkina Faso + Mali + Chad

Source: Cos Coton, Juin 2011

<b>BF Coton</b>	<p>Les interventions de la Commission : appuis <b>STABEX</b>, <b>PAFFIC</b>, <b>programme d'amélioration de la fertilité des sols</b>, <b>Programme tous ACP</b> : (GIPD/BPA), lutte contre la contamination du coton (CFC/ IFDC/BM, standardisation de la mesure expérimentale du coton (CFC), développement de la chaîne de valeur orientée vers le marché (ITC), <b>Appui à l'Université du coton</b> (sous FED/PIR), sont en majorité orientées vers l'amélioration de la compétitivité de la filière, nécessité qui s'est renforcée avec la baisse tendancielle des prix dans un environnement de plus en plus concurrentiel.</p> <p>Notons que le PAFFIC (aide à recapitalisation de la part des producteurs (UNPCB) dans l'actionnariat des sociétés cotonnières suite à la crise financière très profonde débutée en 2005 et alimentée par la baisse tendancielle des prix) a permis au producteurs de rester dans l'actionnariat des sociétés cotonnières.</p> <p>Plus récemment (2010), dans le cadre du programme tous ACP, des appuis mis en œuvre par la Banque mondiale (ARMT) se sont orientés vers la problématique de la variabilité des prix dans une approche globale de la gestion des risques de la filière coton du BF: 1/ Evaluation des risques de la filière coton au BF, 2/ Gestion des risques climatiques Afrique de l'Ouest. 3/ Définition de politiques et gestion des risques liés aux prix, Afrique de l'Ouest ; 4/ Transferts de capacités à la région Afrique de l'Ouest.</p> <p>Notons également que le Partenariat UE-Afrique sur le coton comporte un volet commerce qui vise notamment pour les Etats cotonniers africains à obtenir des relations commerciales plus équitables (cadre OMC/Doha: question des subventions importantes au coton de certains, en particulier les Etats-Unis,, renforcement des capacités dans les négociations du groupe coton (y inclus pour le BF) sur les règles</p>
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	<p>commerciales du système multilatérale. La problématique des subventions de grands pays exportateurs, en particulier les Etats-Unis, occupent le devant de la scène agricole de l'OMC (Doha) depuis l'initiative coton du C4 (Bénin, BF, Mali, Tchad) de 2003. Ces subventions ont contribué à tirer les cours mondiaux du coton vers le bas.</p> <p>Cependant, ce volet commercial du Partenariat n'est pas lié à un appui direct de la Commission.</p> <p><i>Sources : Mise à jour relative au partenariat Union européenne – Afrique sur le coton, juin 2010 et mai 2011. Banque Mondiale (ARMG), 6 monthly progress report : 1 July-31 December 2010. Cadre d'Action pour le Partenariat UE-Afrique sur le coton. Ver février 2010.</i></p>
<b>J.1.4</b>	<b><i>The Commission has adapted its interventions supporting agricultural commodities to the constraints revealed by long term price decline and short term price volatility</i></b>
<b>I.1.4.1</b>	<p>The Commission has supported interventions dealing with the long term price decline and/or price volatility by channelling funds to the six priority areas identified in the COM(2004)89. Data broken down by priority will be presented as follows:</p> <ol style="list-style-type: none"> <li>static view in 2009, and</li> <li>dynamic view 2000-2004 and 2005-2009</li> </ol>
	<i>See above</i>
<b>I.1.4.2</b>	The Commission has introduced new financing instruments to tackle the challenges represented by long term price decline and short term price instability
	<i>See above about the All ACP programme</i>

## EQ2 on the Commission's support in terms of agricultural commodity strategy development

To what extent has the Commission's support enabled the design of agricultural commodity strategies in commodity dependent ACP countries and regions?	
<b>J.2.1</b>	<b><i>The Commission has promoted commodity chains and addressing dependence as a priority in national strategies</i></b>
<b>BF Coton</b>	<p>La Commission n'a pas promu les filières de produits de base agricoles et la situation de dépendance comme priorités des stratégies nationales au Burkina Faso. Il convient de noter que l'agriculture n'est pas un secteur de concentration au Burkina Faso. Enfin, la Commission participe au processus d'élaboration (toujours en cours) du Programme national du secteur rural mené par le Gouvernement, en collaboration avec les partenaires techniques et financiers.</p>
<b>TZ Cotton Sugar Coffee Tea</b>	<p>The Commission have had a strong and very close policy dialogue with the Government in terms of agriculture, especially in the sugar, tea and coffee sector, but also in trade. Before supporting agricultural commodities, initial sector analyses have been carried out in different sectors: sugar and coffee. It seems that this analysis was carried out for the tea sector, but due to no institutional memory this fact was not formally confirmed.</p> <p>While in the past agricultural policies – including cash crops – were left out from the attention of the Government and donors, they are again recognised as important at country level, but with a most strong attention to food crops. The Government adopted a SWAP approach. A national strategy in the agricultural sector (the ASDP), which was recently approved, leaves out more or less cash crops (sugar, tea, coffee and cotton) as they are in the hands of the private sector, even if the coffee</p>

	<p>and cotton sectors involve smallholders to a large extent. Sugar and tea are more in the hands of large estates.</p> <p>The value chain approach was however promoted in the latest agricultural strategy. This approach insists on the level of the production agricultural commodities, but also on the quality of commodities with a view to get higher prices.</p>
<b>I.2.1.1</b>	Evidence that the CDDC-EU policy dialogue has included the competitiveness or diversification of commodity sectors
<b>Cotton</b>	<p>Through the AAACP programme, selected CDDCs' and the EU discuss the competitiveness of the cotton sector. These meetings are organised by the <i>Cos Coton</i>, a joint EU-ACP Steering Group set up to follow the implementation of the EU-Africa Cotton Action Plan). There are representatives of the EC in the Cos-coton.</p> <p><i>Source: Financing agreement n°9571/REG, Annex 2 and <a href="http://www.cotton-ACP.org">www.cotton-ACP.org</a></i></p>
<b>I.2.1.3</b>	Evidence that Commission support contributed to enhance human and institutional capacity needed to design and ensure flexible and effective strategies
<b>Cotton</b>	<p><b>Dans le cadre de l'activité A. 1.b. « Appui aux petits Planteurs d'autres cultures paysannes d'exportation » :</b> (<i>Source : Rider FA p.5 CI-REH</i>)</p> <p>Pour le <b>coton</b>, les financements concernent le renforcement des services apportés aux petits producteurs (vulgarisation agricole, fourniture de matériel végétal amélioré etc.), les appuis à l'équipement, le <b>renforcement des organisations professionnelles</b> agricoles (y compris les organisations interprofessionnelles) mais aussi les <b>appuis aux réformes institutionnelles</b> ou aux restructurations sectorielles.</p> <p>De manière à assurer le financement de la campagne 2007-2008 et permettre l'achat et le paiement rapide de l'ensemble du coton graine produit, la définition et la mise en œuvre d'une stratégie ad hoc de renforcement de la filière se sont révélées d'une extrême urgence.</p> <p>La CE a apporté un appui à la définition de cette stratégie de sortie de crise dans le cadre du Programme d'Appui à l'Organisation du Secteur Agricole (PAOSA). Basée sur les solutions privilégiées par le gouvernement et le plan d'affaires de l'Association Interprofessionnelle du Coton Burkina (AICB), cette proposition de stratégie qui veut redresser financièrement les sociétés cotonnières et ramener la confiance du système bancaire national et international, prévoit notamment la recapitalisation des sociétés cotonnières accompagnée de la mise en place de mécanismes de gestion du risque prix, comme le Fonds de lissage. <i>Source : Allocution signature CF</i></p> <p>L'appui de l'intervention PARFC (Programme d'Appui à la Réforme de la Filière Coton) à la Mission de restructuration du Secteur Coton (MSRC) en appui au Cadre stratégique du Développement du Secteur Coton (CSDSC) (CF, ANNEXE 1) semble aller dans ce sens. <i>Source : CF</i></p>
<b>I.2.1.4</b>	Evidence that the Commission promoted the participation of stakeholders, including representatives of producer/ farmer organisations, in the strategy design process and their effective engagement in the dialogue
<b>Cotton</b>	<p>The AAACP programme supports the <i>Cos Coton</i>, a joint EU-ACP Steering Group set up to follow the implementation of the EU-Africa Cotton Action Plan. This group is composed by EU representatives, representatives of beneficiary ACP countries as well as producer/farmer organisations. <i>Source: Financing agreement n°9571/REG, Annex 2 and <a href="http://www.cotton-ACP.org">www.cotton-ACP.org</a></i></p> <p>Le PAFFIC a permis de financer la participation des producteurs à la recapitalisation</p>



	des sociétés cotonnières à hauteur de 10 millions d'euros ou 6,5 milliards de francs CFA. <i>Source : Allocation signature CF</i>
<b>I.2.1.5</b>	Evidence that the Commission's initiatives were coordinated with MS and complementary to their interventions
<b>Cotton</b>	<p>Le PAFFIC permet de financer la participation des producteurs à la recapitalisation des sociétés cotonnières. Il contribue à la stratégie de sortie de crise, adoptée par le Gouvernement et l'AICB, qui veut redresser financièrement les sociétés cotonnières et ramener la confiance du système bancaire national et international, prévoyant notamment la recapitalisation des sociétés cotonnières accompagnée de la mise en place de mécanismes de gestion du risque prix, comme le Fonds de lissage (FdL). L'outil FdL ainsi que son premier abondement est sous la responsabilité de l'AFD (France). <i>Source : Allocation signature CF</i></p> <p>Suite à la conférence de Paris sur le Partenariat Coton Europe-Afrique, il a été décidé, lors de l'évaluation de mi-parcours (RMP) du 9ème FED au Mali, d'allouer 15 M€ à la mise en œuvre d'un Programme d'Appui à la Réforme de la Filière Coton (PARFC) (BCS, §1.3; CF, annexe II, p.2).</p> <p>NB. La fiche d'identification (FIP, §1), sans faire à ce niveau de référence directe à la conférence de Paris, précise que cette allocation est également consécutive à une saison 2004-2005 très mauvaise pour le coton malien, ce qui a conduit à augmenter le PIN Mali de € 80 millions, dont 15 en appui budgétaire macroéconomique et 15 pour un appui au secteur coton.</p> <p>La fiche d'identification (FIP, §8) indique que la concertation des bailleurs mise en place pour la préparation du Forum UE-Afrique sur le coton s'est renforcée et transformée en un groupe technique UE-Etats Membres (Uniquement Pays Bas et France. L'Allemagne et la Belgique ont peu d'actions dans le domaine du Coton, la Suède ne dispose pas de ressources humaines suffisantes pour participer au groupe technique) – l'USAID et la BM, avec l'AFD comme chef de file. L'AFD bénéficie d'informations de qualité grâce à ses implications tant au niveau bancaire (financement des campagnes cotonnières, crédit pour usine d'égrenage) que de projets d'appui à la filière (Programme d'amélioration des systèmes d'exploitation en zone cotonnière, PASE I). Le groupe technique permet un partage d'informations et la prise de positions communes renforçant le dialogue avec l'Etat représenté par le Ministère des Finances.</p> <p>La FIP (§8) précise également que l'AFD de son côté initie une mission d'identification pour l'élaboration du PASE II (cadre logique, CF, annexe 3b) dont un volet important est la consolidation de la structuration des Organisations Paysannes. L'intervention proposée par la FIP s'intègre dans cet environnement dynamique en appuyant notamment le gouvernement pour un financement effectif du coût de la réforme (ce qui élimine un facteur de blocage).</p> <p>L'intervention (PARFC) proposée par la FIP et qui a fait l'objet d'une identification et d'une instruction conjointe avec l'AFD, s'intègre dans cet environnement dynamique en appuyant notamment le gouvernement pour un financement effectif du coût de la réforme. <i>Sources : FIP, ROM/BCS</i></p>
<b>I.2.1.6</b>	Evidence that the Commission coordinated its approach to national strategy development with other donors and international organisations
<b>Cotton</b>	Le PAFFIC permet de financer la participation des producteurs à la recapitalisation des sociétés cotonnières. Il contribue à la stratégie de sortie de crise, adoptée par le Gouvernement et l'AICB, qui veut redresser financièrement les sociétés cotonnières et ramener la confiance du système bancaire national et international, prévoyant

	notamment la recapitalisation des sociétés cotonnières accompagnée de la mise en place de mécanismes de gestion du risque prix, comme le Fonds de lissage (FdL). L'outil FdL ainsi que son premier abondement est sous la responsabilité de l'AFD (France). <i>Source : Allocation signature CF</i>
<b>UG cotton</b>	<p>In regard to the AAACP, below is the feedback</p> <ul style="list-style-type: none"> <li>▪ The AAACP "Gap and IPPM for Ugandan Horticultural sector (1.ESA.A15)" was meant to provide a follow-up to the above activities that FAO supported in on GAP (Good Agricultural Practices) in Uganda. However, after consideration of the institutional dynamics in the horticultural sector in Uganda, the weak response from stakeholders to our solicitations, as well as funding pressure for other pressing activities under AAACP, it was decided to cancel this activity (which was very small, anyway: €17,000). So no activity took place.</li> <li>▪ As for the second activity, "Facilitating market linkages between organic cotton producers and the fashion industry (Kenya, Tanzania and Uganda) 1.ESA.A12", we are yet to get any information on its implementation.</li> <li>▪ The third activity is an EAC regional level impact assessment study which is currently ongoing. The purpose of the mission was information collection, so no on the ground implementation activities. We expect a draft of the impact assessment next week and a final version that can be shared later in July.</li> </ul> <p><i>Source: FAO response to a request for information on the AAACP programme</i></p>
<b>I.2.1.7</b>	National development strategies have integrated a strong consideration of the problems and issues surrounding agricultural commodity dependence and these problems and issues have been addressed in a cross-sectoral manner
<b>Cotton</b>	<p>Le secteur coton burkinabé a connu un développement très important depuis 1994. Il concerne plus de 300.000 producteurs, touche directement plus de 3 millions de personnes, et contribue à hauteur de 60 à 70 % aux recettes d'exportation selon les années et à environ 5 % du PIB (15 % du PIB agricole).</p> <p>Depuis la campagne 2004-2005, la filière coton est confrontée à une crise financière sans précédent. De manière à assurer le financement de la campagne 2007-2008 et permettre l'achat et le paiement rapide de l'ensemble du coton graine produit, la définition et la mise en œuvre d'une stratégie ad hoc de renforcement de la filière se sont révélées d'une extrême urgence. La Commission européenne a apporté un appui à la définition de cette stratégie de sortie de crise dans le cadre du Programme d'Appui à l'Organisation du Secteur Agricole (PAOSA).</p> <p>Le PAFFIC permet de financer la participation des producteurs à la recapitalisation des sociétés cotonnières. Il contribue à la stratégie de sortie de crise, adoptée par le Gouvernement et l'AICB, qui veut redresser financièrement les sociétés cotonnières et ramener la confiance du système bancaire national et international, prévoyant notamment la recapitalisation des sociétés cotonnières accompagnée de la mise en place de mécanismes de gestion du risque prix, comme le Fonds de lissage (FdL). L'outil FdL ainsi que son premier abondement est sous la responsabilité de l'AFD (France). <i>Source : Allocation signature CF</i></p>
<b>UG coffee cotton</b>	<p>No. At some moment in the past, the Ministry of Agriculture (MAAIF) developed commodities specific strategies (notably for coffee, fisheries, cotton, animal health, graze lands...) which have however not been consistently implemented nor have been updated. <i>Source: MN 301.</i></p> <p>Designing commodities sub-programmes as a complement to the new national agricultural development strategy (DSIP) is <u>currently on the agenda of the policy</u></p>

	<p><u>dialogue between the Government and donors</u>. Donors ask the Ministry of Agriculture to design a matrix crossing the functional- and commodity-based approach. <i>Source: MN 313</i></p>
<b>J.2.2</b>	<b><i>The Commission's support has stimulated the design of commodity strategies by CDDCs and their incorporation into national and regional development strategies</i></b>
<b>BF Coton</b>	<p>La Commission a principalement appuyé l'Etat burkinabé dans le secteur du coton :</p> <ul style="list-style-type: none"> <li>▪ La formulation par le Gouvernement d'une stratégie commune de sortie de crise dans le secteur du coton, suite à l'élaboration du diagnostic de la filière coton et l'identification d'axes stratégiques (financement CE)</li> <li>▪ Au niveau régional-UEMOA: appui à la révision de l'agenda coton-textile (Programme Tous ACP), en début de mise en œuvre</li> </ul> <p>La Commission a financé des études de diagnostics des filières agricoles à l'exportation :</p> <ul style="list-style-type: none"> <li>▪ Dans le secteur cotonnier</li> <li>▪ A travers le programme PAOSA (terminé en 2007), dans de nombreuses filières : riz, coton, bétail et viande, volaille traditionnelle, etc.</li> </ul> <p>Le Programme Tous AACP, géré à partir de Bruxelles, a appuyé la définition d'une stratégie de développement de la gomme arabique. La contribution de la Commission européenne a été mise en œuvre par le Centre du Commerce International (CCI), une des agences d'exécution du Programme Tous ACP. Il n'y a pas d'évidence d'intégration de cette stratégie dans les stratégies de développement nationales ou régionales.</p>
<b>TZ Tea Coffee Cotton</b>	<p>There are no evidences that the Commission carried out or ensured diagnostics of the competitiveness of agricultural commodity value chains in Tanzania. However it appears the World bank carried out such diagnostic in the coffee sector.</p> <p>With the exception of the Tanzanian Crop Reforms which were supported under the FMO 94-99 (ASDP component) and to some extent the cotton sector, the Commission did not stimulate the design of agricultural commodities in Tanzania. However, TACRI and NGO Technoserv are preparing a strategy in the coffee sector. There is no strategy adopted in the tea sector.</p>
<b>I.2.2.1</b>	Evidence that the Commission ensured the availability of diagnostics of the competitiveness of agricultural commodity value chains (Domestic Resource Cost studies)
<b>ACP-ACP Coton</b>	<p>In terms of development of effective commodity strategies and implementation plan (result area 1 of the COM (2004)89), output and results of the UNCTAD's activities until 30 June 2011 are the following:</p> <ul style="list-style-type: none"> <li>▪ the activity "1.WST.C01 - Support to strategies and cross-cutting activities – Ivory Coast and Mali: Arabic gum and cotton" is completed;</li> <li>▪ the activity "1.ESA.C01 - Support to strategies and cross-cutting activities – Cotton" is on-going. <ul style="list-style-type: none"> <li>- Objective of the activity: UNCTAD will provide elements of supply chain strategies relating to finance strategies, information services and commodity exchanges. The supply chain selected as regional priority for such strategies development (cotton) will benefit in priority from this activity. It will also fund support staff for cross-cutting and contribution to regional activities.</li> <li>- UNCTAD continued the discussions with COMESA and ITC the best way to provide support to the regional cotton strategy initiative. In line with the objective of the activity, it was decided to utilize the funds to contribute to</li> </ul> </li> </ul>

	<p>organization of the regional cotton strategy review workshop.</p> <ul style="list-style-type: none"> <li>- COMESA's Cotton to Clothing value chain stakeholders review meeting is scheduled for 27-29 July in Nairobi, Kenya.</li> <li>- The participants were identified and invited by COMESA. COMESA also elaborated the draft program of the workshop that was reviewed by all partners.</li> <li>- UNCTAD is supporting COMESA alongside other partners in the organization of the meeting (travel of participants, etc.)</li> </ul> <p><i>Source: UNCTAD, Draft 6 Monthly progress report of the All ACP programme for the period from January to June 2011, 22 July 2011</i></p>
<b>ACP-ACP</b>	<p>Under the All ACP Programme, the World Bank has supported the carrying out of three studies in the cotton sector in Ghana ("2.WST.D04 – Revival of the cotton sub-sector in Ghana").</p> <p>In 2010, the Government of Ghana (GoG) adopted a Cotton Sector Revival Strategy, which underlined a series of reforms to revitalize the cotton sector as the alternative cash crop sector for the Northern regions. The key objectives of the Government's Cotton Sector Revival Strategy are to: (i) reform the cotton sector and rapidly scale up cotton production; (ii) promote cotton as a cash crop for Northern Ghana similar to cocoa in southern Ghana; (iii) restructure the Ghana Cotton Company Limited (GCCL); (iv) separate the cotton production from ginning functions; and (v) promote and allocate exclusive cotton zones under concession to reputable and financially strong cotton companies.</p> <p>Given the short time span left, it was decided to use AAACP funding to fund three studies that constitute fundamental building blocks in the design of the institutional arrangements necessary to set up the appropriate regulatory environment that will govern the new Ghana Cotton Sector: 1) Proposal for a seed cotton pricing formula, possibly linked to a smoothing fund; 2) Study on the legal and regulatory framework for setting up a cotton interprofession; 3) Design of a program and action plan to build institutional capacities of cotton farmers' organizations</p> <p>At the end of June 2011, terms of reference for the three studies had been drafted and clearance obtained from the Government of Ghana. The study on legal and regulatory framework is being procured as Consultants have been indentified and have confirmed their availability.</p> <p>Next steps: Proceed with finalization of ToRs for the other two studies and identification of consultants.</p> <p><i>Source: WB-Sustainable Development Network (WB-SDN), 6 Monthly progress report of the All ACP programme for the period from January to June 2011 and Programme operational activity report, 28 July 2011</i></p>
<b>CI Coton</b>	<p>Pas de référence directe aux études chaînes de valeur mais de nombreuses ont été menées dans le secteur agricole. L'étude d'une stratégie sectorielle coton (Italtrend 2006) a permis aux acteurs publics et privés de dégager des priorités et d'orienter l'utilisation des fonds européens. De plus, un document de stratégie sectorielle et un plan d'action ont été élaborés par le ministère de l'Agriculture et deux études (sur fonds STABEX) sont en cours pour examiner la réorganisation du financement des intrants et les modalités de gestion du risque sur les prix. (<i>Source : Rider FA p.4 CI-REH</i>)</p>
<b>BF Coton</b>	<p>Dans le cadre du 8<sup>i</sup>e FED, la Commission européenne a financé le « Diagnostic de la filière coton et l'identification d'axes stratégiques » au Burkina Faso, dont le rapport final a été produit en août 2007.</p> <p>Cette étude est justifiée par le fait que la filière coton représente un enjeu</p>

<p>économique et financier considérable pour le Burkina Faso. Elle a été réalisée suite à la crise financière majeure du secteur cotonnier dans le pays, qui s'est aggravé durant deux campagnes et qui a menacé l'existence même de la filière. Il convenait ainsi de s'interroger d'une part sur les contours de la crise elle-même et sur les mesures requises à court terme pour y mettre fin, et d'autre part sur la viabilité à moyen et à long terme de la filière cotonnière du pays.</p> <p>Le rapport, produit par une équipe de consultants externes commissionnés par la Commission européenne à travers le Fonds d'Observation Economique et sociale du monde rural, inclut une analyse de la filière coton sur les plans institutionnel, juridique et fonctionnel, ainsi que l'analyse économique et financière de la filière et la définition des orientations stratégiques pour le devenir de la filière à court, moyen et long terme.</p> <p>Les principales conclusions de cette étude indiquent que :</p> <ul style="list-style-type: none"> <li>▪ la filière coton du Burkina Faso constitue depuis plusieurs années déjà un modèle de développement dans le secteur cotonnier d'Afrique de l'Ouest et du Centre : 1) l'organisation de producteurs dans le secteur compte parmi les plus performantes en la matière dans la sous région africaine ; 2) le double processus de privatisation et de libéralisation de la filière coton du pays a été conduit de façon pragmatique sans jamais remettre en cause les principes organisationnels propres à sécuriser les producteurs, les sociétés cotonnières, les banques/institutions financières impliquées dans la filière.</li> <li>▪ En 2007, le modèle de la filière coton du Burkina Faso est partiellement remis en cause suite à trois évolutions majeures :       <ul style="list-style-type: none"> <li>- La crise financière dans le secteur cotonnier du pays, ayant commencé lors de la campagne 2004-2005 et toujours présente en 2007, est de nature à compromettre la survie même de la filière avec une impossibilité de mobiliser les financements nécessaires pour l'acquisition d'intrants pour la production et de payer les producteurs en temps pour la récolte produite et vendues aux sociétés cotonnières ;</li> <li>- L'augmentation très conséquente de la production dissimule mal une stagnation voire une baisse des rendements qui pèse lourdement sur les revenus des producteurs de coton ;</li> <li>- La question environnementale contribue à fragiliser la durabilité de la filière coton.</li> </ul> </li> </ul> <p>Afin de sortir de la crise, l'étude indique qu'il est primordial et urgent de recapitaliser la SOFITEX (société cotonnière la plus importante du pays représentant environ 80% de la production de coton burkinabé) et de mettre en place un Fonds de lissage. Par ailleurs, pour le moyen et le long terme, les principaux objectifs dégagés suite au diagnostic de la filière et indiquant les principaux axes stratégiques pour l'avenir de la filière sont :</p> <ul style="list-style-type: none"> <li>▪ L'amélioration des performances institutionnelles de la filière en confortant le dispositif de gestion interprofessionnelle ;</li> <li>▪ L'amélioration des performances économiques de la filière en vue de prévenir de nouvelles crises et d'améliorer la compétitivité de la filière coton sur le plan international ;</li> <li>▪ L'amélioration de la durabilité environnementale de la filière ;</li> <li>▪ La diversification des revenus des producteurs</li> </ul> <p>Enfin, en matière de diversification, l'étude recommande le soutien des pouvoirs publics aux filières biocarburants et le développement de nouvelles cultures oléagineuses alors que les promoteurs de ces filières semblent avoir bien pris en compte les deux grandes problématiques de l'environnement et de la sécurité</p>
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	<p>alimentaire.</p> <p><i>Source: Diagnostic de la filière coton et identification d'axes stratégiques, Projet 8 ACP BK O14 – Fonds d'observation Economique et Sociale du Monde Rural (FOESMR), Rapport final 2007</i></p> <p>Dans le cadre du programme PAOSA, il y a eu des études diagnostiques de la plupart des filières agricoles du Burkina (riz, coton, bétail et viande, volaille traditionnelle, etc.). Pour le coton, il y a eu une étude diagnostic détaillée suivie d'une proposition de stratégie/plan d'action. Les différentes études ont suivi un schéma analogue. Les aspects de compétitivité ont été abordés, notamment pour le riz. Par ailleurs, il y avait la préoccupation de diversifier les filières agricoles pour améliorer les revenus des producteurs. Les études se sont focalisées sur les filières. Ce sont des études filières globales. <i>Source : MN 567</i></p>
<b>CI Coton</b>	<p>Oui. L'évaluation Stabex souligne que globalement l'analyse des problèmes relatifs aux filières a été de qualité voire même très fine, imposant des délais de rédaction des documents de mise en œuvre ou des outils, souvent longs. Un certain perfectionnisme a pris le pas sur l'opérationnel.</p> <p>A titre d'exemple, il existe une multitude d'études, de stratégies ou de projets concernant le secteur cotonnier ivoirien :</p> <ul style="list-style-type: none"> <li>▪ Projet de relance de la culture attelée dans le bassin cotonnier de CI</li> <li>▪ Adoption d'une nouvelle stratégie pour la relance du secteur coton</li> <li>▪ Plan d'action pour la mise en œuvre de la stratégie de relance de la filière coton</li> <li>▪ Elaboration d'une stratégie sectorielle coton : perspectives à moyen et long termes</li> <li>▪ Faisabilité d'une nouvelle organisation du financement de l'approvisionnement en intrants de la filière coton en Côte d'Ivoire</li> <li>▪ Diagnostic des prélèvements obligatoires sur la filière coton et révision du mécanisme de fixation du prix du coton graine</li> </ul> <p><i>Source : Eval Stabex 2009</i></p>
<b>I.2.2.2</b>	<p>Evidence that the Commission promoted the design of commodity chain strategies addressing needs and challenges identified in diagnostics and taking account of important transversal and cross-sectoral issues (environment, gender, corporate responsibility including child labour and other social rights)</p>
<b>ACP-ACP Cotton</b>	<p>As far as cotton regional strategy and implementation coordination are concerned, the ITC support led to the following outputs:</p> <ul style="list-style-type: none"> <li>▪ West and Central Africa: Cotton sector development strategies for West and Central Africa have now been fully completed and endorsed by stakeholders, national and regional authorities in an unprecedented display of alignment and unity. Feedback from new customers has stimulated growers and ginners to re-examine their traditional working practices. The combined efforts of FAO, CFC (cotton quality testing facilities), UNCTAD and ITC in West Africa have provided the mechanisms to facilitate direct sales and greater transparency in cotton trade. However, further development programme support will be required for the next two years to ensure such fragile beginnings are sustained, become institutionalised and self-sustaining. The pace of capacity building may be slower than initially expected – but it is consistent and gaining momentum. These positive steps from stakeholders in the Central and West Africa are reinforced by the current positive price and demand trends in international markets.</li> <li>▪ East &amp; Southern Africa: During the period the sector strategy coordination body and cotton Focal Point in COMESA supported an implementation</li> </ul>

progress review and the design / alignment of national and sub-regional development plans for cotton in the MoZaZiMa group of countries. A full strategy review is planned for the final semester. The countries in this region also showed continuing progress, especially as participation in market and quality orientation missions with direct customer contact increased.

Detailed results of the ITC's support to the Development of effective cotton strategies and implementation are provided below (update of 30 June 2011):

- *Central Africa region, cotton*: Regional value chain issues and donor-funded projects map completed; Regional strategy design process outline timetable agreed with stakeholders in the region - October 2010; An Action plan and a business plan for ACA's new strategy were elaborated and approved; areas of new business activities and roles for ACA identified; Confirmations of improved prices and significant new direct sales as a result of ITC-facilitated linkages, visits to importers and customers, and supplier development initiatives (Res.2.4/2.5); Steps taken to improve and standardize bale labelling in ACA member countries to ensure that bale origins and description cannot be easily changed by traders. (Res.2.4). Direct feedback from representatives of ginners at outturn in customers has started to prove its worth in identifying and eradicating sharp practices by traders.
- *ESA Region, Regional Cotton Development Strategy*: Regional strategy for Cotton-to-Clothing Value Chain- June 2009; Regional strategy progress review – June 2010; ITC Report to the Comité de Suivi du coton (CoS) - December 2010 ; Importing country's sector associations reports on exporter, grower and processor evaluations facilitated by ITC to promote a better image of African Cotton with buyers – December 2010; The registration of the first indigenous owned Zambian Ginning and exporting operation supported by local development banks syndicated through the Programme – December 2010; Many media reports, mission reports and studies – July to December 2010; 3 Tanzanian ginners and one Thai spinner agreed upon first direct sales contracts for delivery of altogether 400 tons on a C&F basis, worth US\$ 1.26 million. 100 tons will come out of a pilot project on contract farming, which supposedly will provide better quality cotton. If this is confirmed by the spinner after testing the 100 tons, the spinners will buy an additional 200 tons with an agreed upon premium – June 2011; In addition, the spinning factory will provide free-of-charge training on contamination reduction in Tanzania in July 2011. Moreover, the spinner offered technical and commercial training at their factory in Thailand. All local costs will be covered by Lucky Spinning while ginners or TCB just need to pay for the air-ticket. A ginning factory from Malawi signed a sales contract for direct delivery to a Bangladeshi spinning factory for 500 tons (2400 bales) of cotton worth US\$ 2.204.600.
  - Policy Changes: The Ugandan Cotton Development Organisation will introduce a new regulation for the new season, banning polypropylene, a major cause for cotton contamination, for bale packaging. Instead cotton cloth will become mandatory. The implementation of this new policy is expected to have long-term positive effects in increased premiums for cleaner cotton. Tanzania: A Cotton Development Strategic Plan as roadmap for the industry is in place. A 2nd Cotton Development Strategic Plan and Action Plan is being prepared which envisages increasing production from 130,000 tons of lint to 270,000 tons by 2014/2015. Contract farming will be rolled-out in the entire country, starting

	<p>2011/2012 farming season through which yield and crop quality are expected to go up and hence income generated by small holder producers will increase. A formal training of ginnery operators was introduced in order to control cotton contamination levels. All 3 achievements above are a direct and indirect outcome of ITC-related activities.</p> <ul style="list-style-type: none"> <li>▪ <i>UEMOA region, cotton</i>: Regional Strategy and implementation plans for the “Plan d’Action - Agenda Coton Révisé” completed, validated by stakeholders, endorsed by national and regional commissions and by Heads of State. Strategy summaries now available in English for Anglophone cotton countries; Strategy coordination Committee established (STR), trained, coached and effective; Report from regional consultation and briefing workshop of May 2009; Analysis regional sector issues, opportunities &amp; potential implementation partners: June 2009; Map of relevant sector development Programmes (CoS); Several cotton companies stated that their relationship with international merchants has drastically improved after having participated in ITC training events. Relationships have become “healthy” and are based on equality (video evidence exists). Some international merchants have started their own capacity building operations by bringing cotton companies (but only the sales directors) to cotton importing countries. The importance of marketing and promoting African cotton has therefore been recognized by major market players; Serious interest of the Bangladeshi and Vietnamese T&amp;C industry to substantially increase its cotton use from West/Central Africa. Selected spinning mills are interested to visit West African countries during the next cotton marketing season (December 2010 or January 2011) and to work together with selected ginning factories for improve and cleaner cotton delivery; Recognition that bale labelling needed to be improved and standardized in ACA member countries to ensure that bale origins and description cannot be easily changed by traders; In 2010 SODEFITEX of Senegal sold 1,700 tons of cotton lint directly to a Chinese spinning mill for a total sale of US\$ 3.185.647, as well as some fair-trade cotton and cotton Linter that had previously remained unsold in warehouses for over a year; Recognition that contamination is the number one constraint to improve market promotion and increase of prices. As a result ACA’s quality committee has dedicated its entire programme towards “la lutte contre la contamination”. An ACA programme to eradicate contamination by 2012 was initiated; ACA Business Plan 2011 – 2016; ACO Committee de Commercialisation set up and operational; Linkages with Bangladeshi and Vietnamese spinning factories for clean cotton established (willingness to pay price premiums obtained); Cotton promotion video for SODEFITEX realised; Cotton Contamination survey for Indonesia realised; In-kind contributions from China in the form of South-South cooperation training in China 15 June to 5 July.</li> <li>▪ <i>WST Region – Cotton Sector CoS Decentralisation</i>: First regional coordination reports received and interventions with other agencies to ensure communications with focal point. New mutual support linkages with ECCAS/CEEAC established; Focal Point recruited in March 2011, trained and coached by ITC and the CU during missions to Geneva, Brussels, Burkina Faso and other countries in the region. Nil financial value MoU approved by ITC and UEMOA. ITC will now directly recruit/organise administrative support, travel and office equipment. The Focal Point participated in Brussels PSC meetings and cotton strategy events. The Focal Point has been collecting information and reporting on other agencies projects in cotton and Agri-business throughout the region and</li> </ul>
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	<p>submits regular reports to ITC and the CU. ITC also supported the cost of the participation of the Focal Point and other UEMOA personnel in the UNCTAD-organised Pan-African cotton Conference in June 2011</p> <p><i>Source: ITC, 6 Monthly progress report of the All ACP programme for the period from January to June 2011 and Programme operational activity report, 30 June 2011.</i></p>
<b>CM Cotton</b>	<p>The AAACP programme also supported strategy development for the coffee sector in Cameroon and the cotton sector in the whole CEMAC region. This support was implemented by the UNCTAD, through elements of supply chain strategies « relating to finance strategies, market information systems, and commodity exchanges » and « cross-cutting activities and regional activities ». Cross-cutting issues were addressed, but there is no further detail on the subject. <i>Source : Cameroon AAACP action fiches</i></p>
<b>Cotton</b>	<p>Depuis la campagne 2004-2005, la filière coton est confrontée à une crise financière sans précédent, due notamment à la forte dépréciation du dollar US par rapport à l'euro, à la baisse des prix du coton fibre sur les marchés internationaux et à la baisse de la compétitivité de la filière. Cette crise financière s'est d'abord traduite par un retard dans les achats et le paiement du coton graine de la campagne 2006-2007, ensuite par la difficulté de mobiliser les financements pour l'acquisition des intrants de la campagne 2007-2008.</p> <p>De manière à assurer le financement de la campagne 2007-2008 et permettre l'achat et le paiement rapide de l'ensemble du coton graine produit, la définition et la mise en œuvre d'une stratégie ad hoc de renforcement de la filière se sont révélées d'une extrême urgence.</p> <p>Le PAFFIC permet de financer la participation des producteurs à la recapitalisation des sociétés cotonnières. Il contribue à la stratégie de sortie de crise, adoptée par le Gouvernement et l'AICB, qui veut redresser financièrement les sociétés cotonnières et ramener la confiance du système bancaire national et international, prévoyant notamment la recapitalisation des sociétés cotonnières accompagnée de la mise en place de mécanismes de gestion du risque prix, comme le Fonds de lissage (FdL).</p> <p><i>Source : Allocution signature CF</i></p>
<b>BF Cotton</b>	<p>Suite au rapport de « Diagnostic de la filière coton et l'Identification d'axes stratégiques » au Burkina Faso (août 2007), la Commission européenne a soutenu sous le 8<sup>i</sup>e FED dans le cadre des interventions du Fonds d'Observation Economique et sociale du monde rural la définition des « Stratégies de développement durable de la filière coton au Burkina Faso ». Sous forme d'une approche participative, ces stratégies ont été définies avec la contribution de consultants internationaux, du Ministère de l'Economie et des Finances (Direction Générale de la Coopération), du Ministère de l'Agriculture, de l'Hydraulique et des ressources halieutiques (Secrétariat permanent de la Coordination des Politiques sectorielles Agricoles), du Ministère du Commerce, de la Promotion de l'entreprise et de l'Artisanat (Secrétariat permanent du suivi de la filière coton libéralisée), ainsi que l'ensemble des partenaires de la filière coton (représentants des producteurs, représentants des sociétés cotonnières, représentants du secteur financier, etc.).</p> <p>Deux stratégies (cadres logiques assortis de commentaires) ont ainsi été développées pour le secteur cotonnier du Burkina Faso :</p> <ul style="list-style-type: none"> <li>▪ La stratégie de sortie de crise.</li> <li>▪ La stratégie à moyen long terme.</li> </ul> <p>Dans le cadre de la stratégie de crise, deux axes stratégiques ont été définis :</p> <ul style="list-style-type: none"> <li>▪ L'assainissement de la situation financière des sociétés cotonnières, et plus particulièrement de la SOFITEX (pour 34 milliards de FCFA). La Commission européenne portera une partie de ce financement (10 millions EUR) sous forme</li> </ul>

	<p>d'un don dans le cadre d'une aide budgétaire. Un Fonds de lissage a été mis en place par l'AFD (pour garantir les nouveaux crédits auprès des banques).</p> <ul style="list-style-type: none"> <li>▪ Le rétablissement de la confiance avec le système bancaire national et international. Cet axe comprend l'accès à l'information sur la filière et des échanges réguliers entre la filière coton du pays, l'Etat et les partenaires techniques et financiers.</li> </ul> <p>Suite à la définition des « Stratégies de développement durable de la filière coton au Burkina Faso » appuyées par la Commission européenne, l'Etat burkinabé et l'Association Interprofessionnelle du Coton du Burkina (AICB) ont défini la « Stratégie commune de sortie de crise ». Cette stratégie reprend les éléments clés développés dans la partie « Stratégie de crise » du document « Stratégies de développement durable de la filière coton au Burkina Faso ».</p> <p>En accord entre l'Etat et les PTF, la stratégie à moyen long terme est axée sur l'amélioration de la compétitivité de la filière par une augmentation des rendements au champ, une maîtrise des coûts à tous les niveaux de la filière et une politique de reconquête de la qualité du coton graine et de la fibre. Cette stratégie sectorielle pour le coton s'inscrit dans le cadre plus général de la lutte contre la pauvreté. Son objectif général est de conforter la filière coton comme vecteur de la lutte contre la pauvreté en termes de croissance économique et plus spécifiquement de revenus et d'emplois dans le secteur rural et agricole. Elle met l'accent sur la durabilité de la filière à trois niveaux :</p> <ul style="list-style-type: none"> <li>▪ Durabilité financière et économique, pour faire face à la faiblesse et la volatilité des cours et à la concurrence des pays plus compétitifs ;</li> <li>▪ Durabilité sociale, pour accroître l'autonomie des producteurs et de leurs organisations ;</li> <li>▪ Durabilité environnementale, pour tendre à limiter les impacts négatifs du coton sur la santé des personnes, des animaux et de l'environnement en général par un emploi raisonné des intrants chimiques le développement de nouvelles méthodes de traitement, le recours à des pratiques agricoles plus respectueuses de la fertilité des sols.</li> </ul> <p>Il n'y a pas d'évidence dans la stratégie du secteur cotonnier de la prise en compte des aspects genre, du travail des enfants ou d'autres aspects de droits sociaux.</p> <p><i>Sources: Stratégies de développement durable de la filière coton au Burkina Faso, Projet 8 ACP BK O14 – Fonds d'observation Economique et Sociale du Monde Rural (FOESMR), Rapport amendé, Août 2007 ; Filière coton au Burkina Faso, Stratégie commune de sortie de crise, ETAT-AICB, 2007</i></p>
<b>TZ Cotton</b>	<p>Working closely with the regional African cotton Association which is also assisted by the CDC. Development of a regional strategy for cotton to address Western and Eastern African regions in a more coherent way and are in a process to make the national strategic plan for cotton coherent with this regional strategy. STABEX helped to define and implement the cotton strategy, including the corporate strategy.</p> <p><i>Source: MN 649</i></p>

<b>I.2.2.3</b>	Evidence that the Commission's support led countries to embed their national commodity strategies into their national development strategy and to include them at a regional level into regional strategies
<b>Cotton</b>	The AAACP programme also supported strategy development for the coffee sector in Cameroon and the cotton sector in the whole CEMAC region. It is not an « embedding of the national strategy in the regional strategy » per se, rather a direct regional integration of the cotton commodity strategy. <i>Source : Cameroon AAACP action fiches</i>
<b>UG cotton</b>	<p>No. At some moment in the past, the Ministry of Agriculture (MAAIF) developed commodities specific strategies (notably for coffee, fisheries, cotton, animal health, graze lands...) which have however not been consistently implemented nor have been updated (Source: MN 301)</p> <p>Designing commodities sub-programmes as a complement to the new national agricultural development strategy (DSIP) is <u>currently on the agenda of the policy dialogue between the Government and donors</u>. Donors ask the Ministry of Agriculture to design a matrix crossing the functional- and commodity-based approach. But it must be pointed out that the agricultural development strategy (PMA then DSIP) are sectoral developments of the overall poverty reduction strategy. (Source: MN 313)</p>
<b>I.2.2.4</b>	Evidence that the Commission initiatives in promoting national commodity chain strategies were coordinated with and complementary to Member States' initiatives and coordinated with other donors and international organisations
<b>Cotton</b>	« L'Etat burkinabè, ses Partenaires, ainsi que tous les acteurs de la filière coton, sont pleinement conscients tant des potentialités de la filière coton pour le développement du pays, que des risques actuels qui pèsent sur elle. Ils se sont résolument engagés dans la prise des mesures qui permettront le redressement de celle-ci ». Le PAFFIC permet de financer la participation des producteurs à la recapitalisation des sociétés cotonnières. Il contribue à la stratégie de sortie de crise, qui veut redresser financièrement les sociétés cotonnières et ramener la confiance du système bancaire national et international, prévoyant notamment la recapitalisation des sociétés cotonnières accompagnée de la mise en place de mécanismes de gestion du risque prix, comme le Fonds de lissage (FdL). L'outil FdL ainsi que son premier abondement est sous la responsabilité de l'AFD (France). <i>Source : Allocation signature CF</i>
<b>I.2.2.5</b>	Evidence that the integration of national commodity chain strategies in national and regional strategies was sustained beyond the period of support from the Commission
<b>UG cotton</b>	<p>No. At some moment in the past, the Ministry of Agriculture (MAAIF) developed commodities specific strategies (notably for coffee, fisheries, cotton, animal health, graze lands...) which have however not been consistently implemented nor have been updated (Source: MN 301)</p> <p>Nevertheless, designing commodities sub-programmes as a complement to the new national agricultural development strategy (DSIP) is <u>currently on the agenda of the policy dialogue between the Government and donors</u>. Donors ask the Ministry of Agriculture to design a matrix crossing the functional- and commodity-based approach. (Source: MN 313)</p>

<b>I.2.2.6</b>	Views of beneficiary governments on the effectiveness of Commission support to the sustained development of national and regional strategies
<b>BF Coton</b>	<p>Le point de vue du Secrétariat permanent de la filière coton libéralisée (SPCL) est que le soutien de l'UE (et d'autres PTs) à la filière cotonnière (PAFFIC) dans le cadre de la stratégie de sortie de crise (mars 2008) a été assez efficace mais trop limité et ponctuel. Par la suite, un plan de soutien triennal (2009-2011) a été élaboré et mis en œuvre sur ressources propres (Etat et sociétés cotonnières). Les actions ont essentiellement porté sur l'assainissement financier de la filière coton. En 2010, sur fonds propre et sans l'appui de la DUE, une étude prospective a été menée afin de définir une vision et des axes stratégiques pour le développement futur de la filière coton.</p> <p>Le SPCL reconnaît l'intérêt de l'appui de la CE à la stratégie régionale coton-textile de l'UEMOA qui a été validée en novembre 2010. Il espère qu'elle soit réellement opérationnelle. A ce sujet, il rappelle qu'un agenda coton-textile existe depuis 2003 au niveau de l'UEMOA mais les moyens de sa mise en œuvre n'ont jamais été apportés, l'UEMOA faisant également preuve d'une grande léthargie dans la mobilisation des efforts au niveau de ses états membres. <i>Source : MN 523</i></p>
<b>BF Coton</b>	<p>L'UEMOA reconnaît que l'appui de la CE, à travers le volet coton du Programme tous ACP/CCI-ITC, a été opportun car il a permis d'actualiser un Agenda coton-textile qui existe depuis 2003 mais qui n'a jamais été vraiment opérationnel. En effet, l'UEMOA estime que l'Agenda coton-textile, qui constitue la stratégie de la filière coton-textile au niveau régional (UEMOA), comportaient plusieurs points faibles empêchant sa mise en œuvre : mauvaise définitions des rôles des intervenants ; irréalisme de certains investissements...).</p> <p>Cependant, l'appui dévolu à une des agences de mise en œuvre du Programme tous ACP : le CCI/ITC, à la révision de l'agenda coton-textile a démarré fort tardivement (2010) pour aboutir seulement en novembre 2010 à un atelier de validation de l'Agenda révisé. Les causes de ce retard sont diverses (incompréhensions de départ entre le CCI et l'UEMOA quand au rôle du CCI dans son appui, échanges insuffisants entre l'UEMOA Bruxelles et le siège de Ouagadougou sur les enjeux et perspectives offertes dans le cadre du Programme tous ACP, renouvellement des commissaires de l'UEMOA, blocage temporaire de l'association des producteurs de coton africain (APROCA) qui avaient l'impression qu'on voulait dicter d'en haut (de Bruxelles) la stratégie coton de l'UEMOA.</p> <p>Il en est résulté que la mise en œuvre de la stratégie régionale coton-textile de l'UEMOA, pour laquelle un plan de mise en œuvre d'activités prioritaires vient d'être établi, ne peut plus prétendre recevoir beaucoup de ressources du volet coton du Programme tous ACP dont les activités de terrain se terminent fin 2011.</p> <p><i>Source : MN 581</i></p>
<b>J.2.3</b>	<b><i>The Commission's attention paid to commodity chain strategies in CDDCs has had more results than could have been attained by MS alone</i></b>
<b>TZ Coffee Tea Cotton</b>	In Tanzania, there no evidence that the Commission supported agricultural commodities with added value to MS interventions in the same sector. However, the Commission has a long standing proven experience in Tanzania as far as cotton, coffee and tea are concerned.

<b>I.2.3.3</b>	Evidence of a long standing proven positive experience of the Commission in the partner country and in the commodity sector
<b>Cotton</b>	Par le passé, la CE a largement participé au développement de la filière coton dans le cadre du mécanisme de stabilisation des exportations "STABEX", à travers des appuis directs à la SOFITEX et à l'UNPCB ainsi qu'aux groupements de producteurs de coton. La construction d'infrastructures villageoises et la réhabilitation des routes nationales RN1 et RN4 utilisées pour le transport du coton, en sont des exemples. <i>Source : Allocution signature CF</i>
<b>I.2.3.4</b>	Evidence that Commission initiatives were complementary to and created synergies with the initiatives of MS
<b>Cotton</b>	<p>L'Etat burkinabè, ses Partenaires, ainsi que tous les acteurs de la filière coton, sont pleinement conscients tant des potentialités de la filière pour le développement du pays, que des risques actuels qui pèsent sur elle. Ils se sont résolument engagés dans la prise des mesures qui permettront le redressement de celle-ci.</p> <p>Le PAFFIC permet de financer la participation des producteurs à la recapitalisation des sociétés cotonnières. Il contribue à la stratégie de sortie de crise, adoptée par le Gouvernement et l'AICB, qui veut redresser financièrement les sociétés cotonnières et ramener la confiance du système bancaire national et international, prévoyant notamment la recapitalisation des sociétés cotonnières accompagnée de la mise en place de mécanismes de gestion du risque prix, comme le Fonds de lissage (FdL). L'outil FdL ainsi que son premier abondement est sous la responsabilité de l'AFD (France). <i>Source : Allocution signature CF</i></p> <p>La FIP (§8) indique que la concertation des bailleurs mise en place pour la préparation du Forum UE-Afrique sur le coton s'est renforcée et transformée en un groupe technique UE - Etats Membres (Uniquement Pays Bas et France. L'Allemagne et la Belgique ont peu d'actions dans le domaine du Coton, la Suède ne dispose pas de ressources humaines suffisantes pour participer au groupe technique) - l'USAID et la BM, avec l'Agence Française de Développement (AFD) comme chef de file. L'AFD bénéficie d'informations de qualité grâce à ses implications tant au niveau bancaire (financement des campagnes cotonnières, crédit pour usine d'égrenage) que de projets d'appui à la filière (amélioration des systèmes d'exploitation, PASE I). Le groupe technique permet un partage d'informations et la prise de positions communes renforçant le dialogue avec l'Etat représenté par le Ministère des Finances.</p> <p>La FIP (§8) précise également que l'AFD de son côté initie une mission d'identification pour l'élaboration du PASE II (cadre logique, CF, annexe 3b) dont un volet important est la consolidation de la structuration des Organisations Paysannes. L'intervention (PARFC) proposée par la FIP et qui a fait l'objet d'une identification et d'une instruction conjointes avec l'AFD, s'intègre dans cet environnement dynamique en appuyant notamment le gouvernement pour un financement effectif du coût de la réforme. (ce qui élimine un facteur de blocage) (FIP, §8). <i>Source : FIP</i></p>

### EQ3 on the Commission's coordination with international organisations including ICBs

To what extent has the Commission encouraged other international organisations including ICBs to adopt the Communications' approach to agricultural commodity chains?	
<b>J.3.1</b>	<i>Coordination with relevant international organisations has increased following adoption of the Action Plans</i>
<b>BF Coton</b>	<p>Suite à l'adoption des plans d'action issus des deux Communications (2004):</p> <ul style="list-style-type: none"> <li>▪ La coordination avec les organisations internationales ne s'est pas renforcée dans le domaine des produits de base agricoles. Néanmoins, un cadre général de concertation dans le secteur rural existe (Troïka: Banque Mondiale, DANIDA et Coopération suisse), et la CE y est partie prenante;</li> <li>▪ Un cadre de concertation existe pour le coton (AFD chef de file), avec participation variable de la CE en fonction de l'évolution des ses appuis au coton).</li> <li>▪ Il y a recherche de coordination sous le Programme Tous ACP, entre les organisations internationales et la CE à Bruxelles (siège) mais pas au niveau de la Délégation et de la représentation des OIs du Programme présentes au BF ou une absence de cadre de concertation est constatée.</li> </ul>
<b>TZ Cotton Coffee Tea</b>	<p>As far as agriculture is concerned, the Commission have participated to discussions with other donors. It is active in consultations for the tea and the coffee sectors. In addition, it supported the basket fund in agriculture (through STABEX) with four other donors, but stopped it. This limits its influence on the Government when discussing development of agricultural commodity value chains.</p> <p>In the cotton sector, the Cos cotton, which is supported through the All ACP Programme, have organised several meetings and trainings for all involved stakeholders, including those from Tanzania. This support has help to shape activities related to cotton in Tanzania.</p>
<b>I.3.1.1</b>	Evidence that the adoption of the Actions Plans triggered coordination initiatives led by the EC/EU
<b>Cotton</b>	<p>One third of the AAACP programme budget (€ 15 M) is allocated to the cotton sector. This part of the programme supports activities related to the implementation of the EU-Africa Partnership on cotton including the <i>COS-Coton</i> (a joint EU-ACP Steering Group set up to follow the implementation of the EU-Africa Cotton Action Plan). <i>Source: Financing agreement n°9571/REG, Annex 2</i></p> <p>L'UE par ce programme, veut contribuer de façon significative à la relance de la filière coton au Burkina Faso, conformément aux engagements pris suite au Forum de Paris de juillet 2004 dans le cadre du Partenariat Coton Europe-Afrique. <i>Source : Allocation signature CF</i></p> <p>La CF (annexe II, §2.7) indique que, suite au sommet OMC à Cancun et la présentation du dossier du coton africain, la mise en place du partenariat UE-Afrique pour le coton, et le Plan d'actions adopté à l'issue du Forum de Paris en juillet 2004, la CE s'est engagée à soutenir un certain nombre d'initiatives pour soutenir le développement du secteur coton. Elle a notamment élaboré un projet interrégional, "Agricultural Commodities Programme" (ACP), dont une composante Coton reprend les conclusions du Forum.</p> <p>La fiche d'identification (FIP, §8) indique que la concertation des bailleurs mise en place pour la préparation du Forum UE-Afrique sur le coton s'est renforcée et transformée en un groupe technique UE - Etats Membres (Uniquement Pays Bas et France. L'Allemagne et la Belgique ont peu d'actions dans le domaine du Coton, la Suède ne dispose pas de ressources humaines suffisantes pour participer au groupe technique) — l'USAID et la BM, avec l'Agence Française de Développement (AFD) comme chef de file. L'AFD bénéficie d'informations de qualité grâce à ses implications tant au niveau bancaire (financement des campagnes cotonnières, crédit pour usine d'égrenage) que de projets d'appui à la filière (amélioration des systèmes d'exploitation, PASE I). Le groupe technique permet un partage d'informations et la</p>

	prise de positions communes renforçant le dialogue avec l'Etat représenté par le Ministère des Finances. <i>Source : CF, FIP</i>
<b>BF ACP- ACP</b>	<p>Pour la FAO, la coordination (CE-OIs/Agences d'exécution) avec le Programme Tous ACP se passe au niveau de Bruxelles et des sièges des OIs. Sur le terrain, ils ne voient aucune coordination structurée pour mettre en œuvre les activités du Programme Tous ACP : les agences d'exécution travaillent chacune de leur côté.</p> <p>L'UEMOA (siège) a mis longtemps à comprendre le mécanisme de coordination entre CE-OIs développé dans le programme tous ACP, de même que la conception même du programme, d'où elle s'est sentie exclue jusqu'en 2010. <i>Source : MN 518, MN 581</i></p>
<b>I.3.1.2</b>	After 2004 general and product specific meetings have been held at international level between the EC/EU and other international organisations to discuss the coordination of strategies and interventions in agricultural commodities sectors
<b>Cotton</b>	<p>In the framework of the <i>Cos-Coton</i> activities, meetings are held to discuss and implement the EU-Africa Cotton Action Plan. For example, one can cite the Arusha seminar (6-8 September 2007) on “<i>Cotton in Africa – Trend, incentives and institutions: what works, what doesn't and why?</i>” or the Ouagadougou seminar on the issues at stake related to the introduction in Africa of the genetically modified cotton plant. <i>Source: Compte-rendu de la participation du Cos-Coton au séminaire en Tanzanie, Septembre 2007 and <a href="http://www.cotton-acp.org">www.cotton-acp.org</a></i></p> <p>Suite à la conférence de Paris sur le Partenariat Coton Europe-Afrique, il a été décidé, lors de l'évaluation de mi-parcours (RMP) du 9ème FED, d'allouer 15 M€ à la mise en œuvre d'un Programme d'Appui à la Réforme de la Filière Coton (PARFC) (BCS, §1.3; CF, annexe II, p.2).</p> <p>NB. La fiche d'identification (FIP, §1), sans faire à ce niveau de référence directe à la conférence de Paris, précise que cette allocation est également consécutive à une saison 2004-2005 très mauvaise pour le coton malien, ce qui a conduit à augmenter le PIN Mali de € 80 millions, dont 15 en appui budgétaire macroéconomique et 15 pour un appui au secteur coton.</p> <p>En terme de coordination, la fiche d'identification (FIP, §8) indique que la concertation des bailleurs mise en place pour la préparation du Forum UE-Afrique sur le coton s'est renforcée et transformée en un groupe technique UE - Etats Membres (Uniquement Pays Bas et France. L'Allemagne et la Belgique ont peu d'actions dans le domaine du Coton, la Suède ne dispose pas de ressources humaines suffisantes pour participer au groupe technique) — l'USAID et la BM, avec l'Agence Française de Développement (AFD) comme chef de file. L'AFD bénéficie d'informations de qualité grâce à ses implications tant au niveau bancaire (financement des campagnes cotonnières, crédit pour usine d'égrenage) que de projets d'appui à la filière (amélioration des systèmes d'exploitation, PASE I). Le groupe technique permet un partage d'informations et la prise de positions communes renforçant le dialogue avec l'Etat représenté par le Ministère des Finances. <i>Sources : ROM/BCS, FIP</i></p>
<b>I.3.1.3</b>	After 2004 discussion fora (such as thematic working groups) were set up at country level to discuss general and product specific issues between representatives of the Commission and other donors/organisations active in the field of agricultural commodities
<b>Cotton</b>	<p>In the framework of the Cotton Partnership which was approved in July 2004 together with a Plan of Action in support to the development of the African cotton sector, the <i>COS-Coton</i> was formed. In the framework of the Cotton Partnership which was approved in July 2004 together with a Plan of Action in support to the development of the African cotton sector, the <i>COS-Coton</i> was formed. This joint EU-ACP Steering Group has been set up to follow the implementation of activities of the EU-Africa Cotton Action Plan. The <i>COS-Coton</i> organised in September 2008 in Ouagadougou a seminar on the issues at stake related to the introduction in Africa of the genetically modified cotton plant. <i>Source: Financing agreement n°9571/REG, Annex 2 and <a href="http://www.cotton-acp.org">www.cotton-acp.org</a></i></p>

	<p>La fiche d'identification (FIP, §8) indique que la concertation des bailleurs mise en place pour la préparation du Forum UE-Afrique sur le coton s'est renforcée et transformée en un groupe technique UE- Etats Membres (Uniquement Pays Bas et France. L'Allemagne et la Belgique ont peu d'actions dans le domaine du Coton, la Suède ne dispose pas de ressources humaines suffisantes pour participer au groupe technique) – l'USAID et la BM, avec l'AFD comme chef de file. L'AFD bénéficie d'informations de qualité grâce à ses implications tant au niveau bancaire (financement des campagnes cotonnières, crédit pour usine d'égrenage) que de projets d'appui à la filière (amélioration des systèmes d'exploitation, PASE I). Le groupe technique permet un partage d'informations et la prise de positions communes renforçant le dialogue avec l'Etat représenté par le Ministère des Finances.</p> <p>La FIP (§8) précise également que, dans le cadre de la réforme de la filière, plusieurs interventions en phase d'identification viendront renforcer les actions déjà en cours : AFD, PASAOP (Projet d'Appui aux Services Agricoles et Organisations Paysannes, BM) et PCDA (Programme de Compétitivité et Diversification Agricoles, BM &amp; Suisse). Au niveau de la FAO une intervention régionale (4 pays, 72 M\$) axée principalement sur un appui à l'industrialisation de la filière est prévu. L'AFD de son côté initie une mission d'identification pour l'élaboration du PASE II (cadre logique, CF, annexe 3b) dont un volet important sera la consolidation de la structuration des Organisations Paysannes. L'intervention (PARFC) proposée par la FIP et qui a fait l'objet d'une identification et d'une instruction conjointe avec l'AFD, s'intègre dans cet environnement dynamique en appuyant notamment le gouvernement pour un financement effectif du coût de la réforme. (ce qui élimine un facteur de blocage) (FIP, §8).</p> <p>Notons également que le rapport ROM souligne le fait qu'avec le 10eme FED, la CE s'extrait de l'apport au secteur coton du Mali, ne laissant que l'AFD comme acteur européen de poids dans la filière coton. L'AFD prévoit de ne plus agir dans une logique principalement sociale, mais de centrer ses activités de support sur les producteurs performants dans une approche "secteur privé". (BCS, §5.1). <i>Sources : ROM/BCS, FIP, CF</i></p>
<b>BF coton</b>	<p>L'AFD/France est le chef de file officiel d'un groupe technique coton. A l'instar de la commission thématique "Développement rural et sécurité alimentaire," il s'agit avant tout d'échanger les informations et avis sur les divers appuis/projets financés par chacun des PTFs mais pour des appuis relatifs à la filière coton. Ce groupe semblait mieux fonctionner par le passé (2007-2008) quand la DUE était entrain de mettre en œuvre le PAFFIC. Depuis, l'AFD se sent bien seule dans ce groupe. Les PTFs, dont la DUE, ne répondent pas ou peu aux demandes de concertation de l'AFD (ex. (i) l'envoi aux PTFs des résultats d'une étude sur le bilan et révision des mécanismes du fonds de lissage et (ii) l'invitation faite aux PTFs par l'AFD pour discuter des TdRs d'une étude portant sur les conditions et modalités de mise en place d'un fonds intrants, notamment pour réduire le coût des intrants n'a pas connu de retour de la part des PTFs à l'exception de la Banque Mondiale. La BM apparaît être le seul bailleur réceptif à la coordination dans le secteur du coton. Cela s'est également traduit par une revue conjointe du secteur coton début 2010. L'aide mémoire de cette revue a été envoyé aux PTFs.</p> <p>NB. Dans d'autres domaines/secteurs l'AFD travaille en étroite coordination avec la DUE : l'eau/assainissement et dans le cadre du groupe de Ouaga (groupe de PTFs du CILSS sur la sécurité alimentaire, les changements climatiques, etc.).</p> <p>Il y a eu beaucoup d'initiatives sur le coton depuis la crise cotonnière en 2007. La Banque Mondiale a initié des activités en coordination avec les autres partenaires (AFD, UE, USAID/WACIP). Avant la crise, il y avait l'appui direct à la filière. La Banque Mondiale travaille beaucoup avec l'AFD pour soutenir le coton au Burkina Faso (depuis 2007 à travers le PAFASPE). La Banque mondiale apporte 5 millions USD et l'AFD a apporté 10 millions € dont 3 millions € ont été alloués comme subvention dans l'abondement du fonds de lissage, le reste étant destiné au renforcement des organisations de producteurs comprenant notamment le conseil à l'exploitation familiale. Dans ce programme, la Commission n'intervient pas. <i>Sources: MN 512 ; MN 599</i></p>



<b>BF ACP- ACP</b>	<p>Même au niveau des réunions régulières des PTFs dans le cadre de la commission sectorielle thématique “Développement rural et sécurité alimentaire”, aucun aspect lié à la coordination d’activités du Programme Tous ACP n’est mis à l’ordre du jour. <i>Source : MN 518</i></p> <p>Le financement de l’UE à travers le programme Tous ACP a permis de lancer l’initiative de support de la Banque mondiale – ARMG à la gestion des risques climatiques. Au départ, les personnes impliquées étaient dubitatives, mais les ateliers faisant et les informations données ont fait évoluer les opinions. La phase pilote du projet de la gestion des risques se déroule au Burkina Faso. Elle a débuté par un atelier organisé à Ouagadougou fin 2009, qui a débouché sur un plan d’action.</p> <p>La gestion des risques dans le secteur du coton est une action de long terme. Le financement du programme tous ACP se termine fin 2011. Le plus important est que les acteurs du Burkina Faso (producteurs, sociétés d’assurance, etc.) ont compris l’importance de la question. L’étude de faisabilité en cours et les ateliers ont informé et ont permis de former des capacités locales en matière de gestion des risques. Mais il faudra une seconde phase de support pour tout fédérer et mettre la gestion des risques au cœur des activités. Il y aurait alors un soutien financier de la Banque mondiale pour poursuivre les efforts fournis à ce jour. La phase pilote devrait fournir les données de base pour lancer les activités. Mais il y a des facteurs externes qui jouent, comme les bons prix du coton actuellement. <i>Source : MN 599</i></p>
<b>I.3.1.4</b>	After 2004, the level of coordination between donors concerning activities in the field of agricultural commodities was stepped up
<b>Cotton</b>	<p>The coordination between activities and their follow-up in the cotton sector is organised in the framework of the <i>Cos-Coton</i>, which is the joint EU-ACP Steering Group set up after agreement on the EU-Africa Cotton Action Plan (2004). <i>Source: Financing agreement n°9571/REG, Annex 2</i></p> <p>L’Etat burkinabè, ses Partenaires, ainsi que tous les acteurs de la filière coton, sont pleinement conscients tant des potentialités de la filière pour le développement du pays, que des risques actuels qui pèsent sur elle. Ils se sont résolument engagés dans la prise des mesures qui permettront le redressement de celle-ci.</p> <p>Le PAFFIC permet de financer la participation des producteurs à la recapitalisation des sociétés cotonnières. Il contribue à la stratégie de sortie de crise, adoptée par le Gouvernement et l’AICB, qui veut redresser financièrement les sociétés cotonnières et ramener la confiance du système bancaire national et international, prévoyant notamment la recapitalisation des sociétés cotonnières accompagnée de la mise en place de mécanismes de gestion du risque prix, comme le Fonds de lissage (FdL). L’outil FdL ainsi que son premier abondement est sous la responsabilité de l’AFD (France). <i>Source : Allocution signature CF</i></p> <p>La fiche d’identification (FIP, §8) indique que la concertation des bailleurs mise en place pour la préparation du Forum UE-Afrique sur le coton s’est renforcée et transformée en un groupe technique UE — Etats Membres (Uniquement Pays Bas et France. L’Allemagne et la Belgique ont peu d’actions dans le domaine du Coton, la Suède ne dispose pas de ressources humaines suffisantes pour participer au groupe technique) – l’USAID et la BM, avec l’AFD comme chef de file. L’AFD bénéficie d’informations de qualité grâce à ses implications tant au niveau bancaire (financement des campagnes cotonnières, crédit pour usine d’égrenage) que de projets d’appui à la filière (amélioration des systèmes d’exploitation, PASE I). Le groupe technique permet un partage d’informations et la prise de positions communes renforçant le dialogue avec l’Etat représenté par le Ministère des Finances.</p> <p>La FIP (§8) précise également que, dans le cadre de la réforme de la filière, plusieurs interventions en phase d’identification viendront renforcer les actions déjà en cours : AFD, PASAOP (Projet d’Appui aux Services Agricoles et Organisations Paysannes, BM) et PCDA (Programme de Compétitivité et Diversification Agricoles, BM &amp; Suisse). Au niveau de la FAO une intervention régionale (4 pays, 72 M\$) axée principalement sur un appui à l’industrialisation de la filière est prévu. L’AFD de son côté initie une mission d’identification pour l’élaboration du PASE II (cadre logique, CF, annexe 3b) dont</p>

	<p>un volet important sera la consolidation de la structuration des Organisations Paysannes. L'intervention (PARFC) proposée par la FIP et qui a fait l'objet d'une identification et d'une instruction conjointe avec l'AFD, s'intègre dans cet environnement dynamique en appuyant notamment le gouvernement pour un financement effectif du coût de la réforme. (ce qui élimine un facteur de blocage) (FIP, §8). <i>Source : FIP, CF</i></p>
<b>BF coton</b>	<p>Malgré l'existence d'un groupe technique coton dont l'AFD/France est le chef de file officiel, la coordination entre PTFs est restée faible, bien qu'elle semblait mieux fonctionner par le passé (2007-2008) quand la DUE était entrain de mettre en œuvre le PAFFIC. Depuis, l'AFD se sent bien seule dans ce groupe. Les PTFs, dont la DUE, ne répondent pas ou peu au demandes de concertation de l'AFD, à l'exception de la Banque Mondiale. La BM apparaît être le seul bailleur réceptif à la coordination dans le secteur du coton. Cela s'est également traduit par une revue conjointe du secteur coton début 2010. L'aide mémoire de cette revue a été envoyé aux PTFs.</p> <p>NB. Dans d'autres domaines/secteurs l'AFD travaille en étroite coordination avec la DUE : l'eau/assainissement et dans le cadre du groupe de Ouaga (groupe de PTFs du CILSS sur la sécurité alimentaire, les changements climatiques...)</p> <p>L'appui de la Délégation de l'UE (via le 9<sup>ème</sup> FED/PIR) à l'Université du Coton (UdC) qui est abritée à l'Université de Bobo-Dioulasso (Institut Polytechnique) et l'établissement d'une convention UEMUA-AProCA, a connu un important retard qui révèle un déficit de coordination entre les parties prenantes impliquées (DUE-UEMOA-UNPCB). À la fin du 1<sup>er</sup> semestre 2011, la convention n'était toujours pas opérationnelle et le financement du programme de formation de l'UdC risque d'être compromis car ce financement doit être utilisé avant la fin 2011.</p> <p>Le programme d'amélioration de la fertilité des sols des exploitations biologiques en zone cotonnière (2008-2011, ligne FOOD) mis en œuvre par ICCO, en collaboration avec Helvetas et l'UNPCB semble avoir connu des problèmes de coordination entre les parties prenantes impliquées. Cela se traduit par des retards dans la mise en place d'activités qui nuisent à l'efficacité du programme.</p> <p><i>Sources : MN 51, MN 523, MN 581</i></p>
<b>BF ACP- ACP Coton</b>	<p>Selon un responsable de l'IFDC qui exécute pour le compte du CFC le projet de prévention de la contamination du coton graine pour le BF, le projet a connu un retard conséquent au démarrage qui n'a été effectif que fin 2010. D'après lui, la lenteur des échanges entre les institutions impliquées dans ce projet expliquent en partie ce retard. Des lenteurs rencontrées dans la finalisation de contrats avec les partenaires locaux, notamment la SOFITEX, ont également contribué à ce retard. De plus, la première rencontre avec la Banque mondiale (SDN) partenaire du CFC et qui s'occupe des aspects liés à la valorisation du coton non contaminé n'a eu lieu qu'en février 2011.</p> <p>Au niveau de l'UEMOA, il existe un point focal coton récemment créé avec l'appui du volet coton du Programme tous ACP. Ce point focal a une fonction de diffusion d'informations/coordination entre les acteurs sur la stratégie coton et les activités du volet coton du Programme tous ACP concernant la zone UEMOA. Certaines agences de mise en œuvre du programme commencent à passer par le point focal mais cette démarche n'est pas encore systématique. La viabilisation de ce point focal coton au-delà du Programme (fin 2011) est un souci de l'UEMOA qui discute avec divers agences et partenaires pour assurer son financement à partir de 2012. <i>Sources : MN 526, MN 581</i></p>
<b>TZ Coton</b>	<p><i>CosCotton:</i> Work with the ITC (International Trade Centre) to increase Tanzanian direct cotton exports (instead of through agents). Since 2006 there is a lot of training visits in India, Thailand, Taiwan, Senegal, etc. To visit the Ministers to expand the business. For the industry we are exposed to other countries (like India). Training helped to shape activities in Tanzania. After training, we have defined a new model to contract farming (between ginners and farmers) to support the farmers. It has been pilot tested and will now be extended. TZ cotton is discounted because of quality but now with contract farming the quality is improving and prices rise.</p> <p>Working closely with the regional African cotton Association which is also assisted by the CDC. Development of a regional strategy for cotton to address Western and Eastern African regions in a</p>

	more coherent way and are in a process to make the national strategic plan for cotton coherent with this regional strategy. STABEX helped to define and implement the cotton strategy, including the corporate strategy. <i>Source: MN 649</i>
<b>I.3.1.5</b>	Evidence of Commission leadership in the promotion of cooperation and the search for complementarities on agricultural commodities interventions
<b>Cotton</b>	<p>L'UE par le PAFFIC, veut contribuer de façon significative à la relance de la filière coton au Burkina Faso, conformément aux engagements pris suite au Forum de Paris de juillet 2004 dans le cadre du Partenariat Coton Europe-Afrique.</p> <p>Le PAFFIC permet de financer la participation des producteurs à la recapitalisation des sociétés cotonnières. Il contribue à la stratégie de sortie de crise, adoptée par le Gouvernement et l'AICB, qui veut redresser financièrement les sociétés cotonnières et ramener la confiance du système bancaire national et international, prévoyant notamment la recapitalisation des sociétés cotonnières accompagnée de la mise en place de mécanismes de gestion du risque prix, comme le Fonds de lissage (FdL). L'outil FdL ainsi que son premier abondement est sous la responsabilité de l'AFD (France).</p> <p>Par contre, la programmation du 10ème FED ne prévoit plus d'appui spécifique à la filière coton. Elle établit une stratégie de coopération focalisée sur l'appui budgétaire pour la croissance et la réduction de la pauvreté et deux secteurs de concentration : les infrastructures de base et la bonne gouvernance. <i>Source : Allocation signature CF</i></p> <p>La fiche d'identification (FIP, §8) indique que la concertation des bailleurs mise en place pour la préparation du Forum UE-Afrique sur le coton s'est renforcée et transformée en un groupe technique UE — Etats Membres (Uniquement Pays Bas et France. L'Allemagne et la Belgique ont peu d'actions dans le domaine du Coton, la Suède ne dispose pas de ressources humaines suffisantes pour participer au groupe technique) — l'USAID et la BM avec l'AFD comme chef de file. L'AFD bénéficie d'informations de qualité grâce à ses implications tant au niveau bancaire (financement des campagnes cotonnières, crédit pour usine d'égrenage) que de projets d'appui à la filière (amélioration des systèmes d'exploitation, PASE I). Le groupe technique permet un partage d'informations et la prise de positions communes renforçant le dialogue avec l'Etat représenté par le Ministère des Finances.</p> <p>Alors que la place de chef de file du groupe technique coton, de part son expertise est conférée à l'AFD, au-delà de l'effet « Forum UE-Afrique sur le coton, l'intervention « PARFC » de la CE dont le financement est conséquent se situe au niveau du Cadre Stratégique de Développement du Secteur Coton (CSDSC) constituant un appui à la politique sectorielle coton. L'intervention (PARFC) proposée par la FIP a fait l'objet d'une identification et d'une instruction conjointe avec l'AFD.</p> <p>Notons également que le rapport ROM souligne le fait qu'avec le 10ème FED, la CE s'extrait de l'apport au secteur coton du Mali, ne laissant que l'AFD comme acteur européen de poids dans la filière coton. L'AFD prévoit de ne plus agir dans une logique principalement sociale, mais de centrer ses activités de support sur les producteurs performants dans une approche "secteur privé". (BCS, §5.1). <i>Source : FIP, ROM/BCS</i></p>
<b>J.3.2</b>	<b><i>The Commission's interventions have been complementary to those of other donors in the field of agricultural commodities</i></b>
<b>BF Coton</b>	Pour le coton, certaines interventions de la Commission menées à partir de la Délégation ont été complémentaires de celles d'autres PTFs :PAFFIC (DUE) et gestion des risques (Programme Tous ACP, Banque Mondiale-ARMG) /Fonds de lissage (AFD/France)
<b>I.3.2.1</b>	Synergies have been noted between interventions supported by the Commission with those supported by other donors
<b>Cotton</b>	Le PAFFIC permet de financer la participation des producteurs à la recapitalisation des sociétés cotonnières. Il contribue à la stratégie de sortie de crise, adoptée par le Gouvernement et l'AICB, qui veut redresser financièrement les sociétés cotonnières et ramener la confiance du système bancaire

	<p>national et international, prévoyant notamment la recapitalisation des sociétés cotonnières accompagnée de la mise en place de mécanismes de gestion du risque prix, comme le Fonds de lissage (FdL). L'outil FdL ainsi que son premier abondement est sous la responsabilité de l'AFD (France). <i>Source : Allocation signature CF</i></p> <p>La FIP (§8) précise que, dans le cadre de la réforme de la filière, plusieurs interventions en phase d'identification viendront renforcer les actions déjà en cours : AFD, PASAOP (Projet d'Appui aux Services Agricoles et Organisations Paysannes, BM) et PCDA (Programme de Compétitivité et Diversification Agricoles, BM &amp; Suisse). Ainsi au niveau de la FAO une intervention régionale (4 pays, 72 M\$) axée principalement sur un appui à l'industrialisation de la filière est prévu. L'AFD de son côté initie une mission d'identification pour l'élaboration du PASE II (cadre logique, CF, annexe 3b) (Programme d'Amélioration des Systèmes d'Exploitations en zones cotonnières) dont un volet important sera la consolidation de la structuration des Organisations Paysannes. La FIP précise que le PARFC s'intègre dans cet environnement dynamique en appuyant notamment le gouvernement pour un financement effectif du coût de la réforme (ce qui élimine un facteur de blocage).</p> <p>La complémentarité UE/AFD est fort mise en avant dans la CF (annexe II, p2-3) : « Au sein du cadre de concertation des PTFs sur le dossier coton au Mali, l'AFD et la CE ont décidé d'adopter une procédure conjointe d'instruction d'un programme d'appui au développement économique des zones cotonnières, visant à consolider les acquis du PASE/AFD et de promouvoir la productivité de la filière dans le cadre de sa restructuration. Le PARFC, objet de la PF et résultat d'une identification et formulation conjointes UE/AFD intervient donc en parfaite complémentarité avec le programme français PASE II (CF, annexe 3b) et contribue à des objectifs communs ». (CF, annexe II, §2.7).</p> <p>La collaboration CE/AFD, est officialisée par une convention de délégation de la CE (pour le mode de mise en œuvre indirecte, FED/2009/205-568).</p> <p>Le rapport ROM indique également qu'un soutien à la filière « coton bio » qui a pu démarrer rapidement après la signature d'une convention de coopération grâce à un financement de l'ONG suisse HELVETAS (BCS, §2.1).</p> <p>Par ailleurs, le rapport ROM souligne le fait qu'avec le 10ème FED, la CE s'extrait de l'apport au secteur coton du Mali, ne laissant que l'AFD comme acteur européen de poids dans la filière coton. L'AFD prévoit de ne plus agir dans une logique principalement sociale, mais de centrer ses activités de support sur les producteurs performants dans une approche "secteur privé". (BCS, §5.1). <i>Sources : FIP, ROM/BCS, CF</i></p>
<p><b>BF</b> <b>Coton</b></p>	<p>Pas de synergies. On peut seulement observer une complémentarité entre l'appui DUE à travers le PAFFIC (aide à recapitalisation de la part des producteurs dans l'actionnariat des sociétés cotonnières suite à la crise financière très profonde débutée en 2005) et l'appui de l'AFD à la mise en place d'un fonds de lissage (FdL) pour mieux stabiliser les prix payés au producteur pour le coton graine. Notons que, liée à l'intervention PAFFIC de la DUE, la stratégie commune de sortie de crise de la filière coton adoptée en 2008 comporte également un axe dédié au FdL. Cependant, l'appui du PAFFIC a été ponctuel (terminé en 2010) alors que le FdL appuyé par l'AFD, est toujours en fonctionnement depuis sa création en 2007 et a fait l'objet d'une révision récente de son mécanisme suite à la spectaculaire envolée des cours du coton en 2010-début 2011.</p> <p>Le Secrétariat permanent de la filière coton libéralisée (SPCL) déplore que l'AFD soit restée seule pour soutenir le Fonds de lissage. D'après lui, si la DUE avait voulu fédérer ses efforts avec d'autres partenaires, elle aurait dû participer au FdL, vu l'importance qu'il revêt pour la filière et pour les producteurs. <i>Source : MN 523</i></p> <p>Il en est de même au niveau de la SOFITEX. Selon elle, il était envisagé au départ (2006) une contribution DUE à hauteur de 10 millions €. Puis, cette possibilité a été abandonnée en s'orientant vers les pistes cotonnières. Finalement, ce budget a été utilisé pour le PAFFIC.</p> <p>Le coton est soutenu par la Banque Mondiale dans le cadre du PAFASP (documents disponibles sur le site web de la Banque Mondiale), sur toute la zone cotonnière. Il y a un volet sur :</p>

	<ul style="list-style-type: none"> <li>▪ l'alphabétisation fonctionnelle, avec une formation sur la gestion des exploitations agricoles;</li> <li>▪ la conservation des sols, réalisation de fosses fumières, appui à la construction de magasins à intrants.</li> </ul> <p>Il y a coordination au niveau des interventions du coton avec les autres bailleurs ; surtout avec l'AFD qui est chef de file du coton au Burkina Faso. La question de la gestion du risque est menée par la Banque Mondiale, dossier sur lequel travail des consultants externes. Il y échange avec l'AFD sur les termes de références, sur les missions. <i>Sources : MN 55, MN 504, MN 512, MN 575, MN 599. Stratégie commune de sortie de crise de la filière coton, mars 2008.</i></p>
<b>I.3.2.2</b>	In country, no conflicts, cases of overlap or duplication were noted between the interventions supported by the Commission and those of other donors
<b>Cotton</b>	Le rapport ROM ne peut se prononcer sur la question liée à l'harmonisation au titre la coopération technique de la CE par rapport à celle des autres bailleurs, (N/A) (BCS, §6.2). Le rapport ROM mentionne un retard dans la mise en œuvre du volet alphabétisation du programme dû au retard du projet PASE II (AFD) (BCS, §2.1). <i>Source : ROM/BCS</i>
<b>I.3.3.2</b>	The Commission has undertaken assessments and promoted the reform of the ICBs with regard to their justification and membership by: (i) re-evaluating its membership in ICBs, (ii) considering withdrawing from ICBs with low relevance, continuous poor performance or very small size and (iii) proposing to merge ICBs covering related commodities
<b>Cotton</b>	In the ICAC, the EC is not a member, while ten EU countries are. <i>Source: IDC study</i>

#### EQ 4 on the Commission's support in terms of competitiveness of agricultural commodity chains in CDDCs

To what extent has the Commission's support helped to improve the competitiveness of agricultural commodity chains in commodity dependent recipient countries?	
<b>J.4.1</b>	<i>The Commission's cooperation programme has stimulated the creation of an environment conducive to increased competitiveness of agricultural commodity chains</i>
<b>BF Coton</b>	Il y a peu d'évidences au Burkina Faso que la Commission a supporté l'environnement global burkinabé directement en lien avec les produits de base agricoles. L'accessibilité à la terre reste un enjeu. Le secteur privé sera prochainement appuyé par la Commission européenne. Le helpdesk (tarifs/ règles d'origine) mis en place par la Commission européenne est connu des autorités publiques (Ministère du Commerce) mais n'a été que très peu utile en ce qui concerne l'exportation des produits agricoles de base.
<b>I.4.1.2</b>	Evidence that essential related areas (private sector development, fiscal/tax policies, competition policy, land titling/ownership policies, judicial system, etc.) were supported by the Commission in complementarity to Government or other donors support
<b>Cotton</b>	Le PAFFIC permet de financer la participation des producteurs à la recapitalisation des sociétés cotonnières. Il contribue à la stratégie de sortie de crise, adoptée par le Gouvernement et l'AICB, qui veut redresser financièrement les sociétés cotonnières et ramener la confiance du système bancaire national et international, prévoyant notamment la recapitalisation des sociétés cotonnières accompagnée de la mise en place de mécanismes de gestion du risque prix, comme le Fonds de lissage (FdL). L'outil FdL ainsi que son premier abondement est sous la responsabilité de l'AFD (France). <i>Source : Allocution signature CF</i>

	<p>Le rapport ROM indique que le PARFC se base sur le "Cadre stratégique du Développement du Secteur Coton", (CSDSC) (CF annexe 2) de l'Etat malien, assorti du plan d'action "Chronogramme Révisé de Reforme du Secteur Coton" (CRPRSC, CF annexe 1) dont la mise en œuvre est confiée à la "Mission de Restructuration du Secteur Coton" (MRSC). Cette feuille de route de la privatisation et de la libéralisation de la filière coton constitue le document de référence unique tant pour le gouvernement que pour les partenaires techniques et financiers"(BCS, §1.1; Monitoring report, p2).</p> <p>Le rapport ROM relève des contradictions. En effet, d'une part l'Etat s'est proclamé prêt à faire sortir le Mali de l'impasse de l'implication étatique dans une filière pour que celle-ci puisse devenir compétitive dans le contexte du marché mondial du coton. Cependant, les multiples acteurs concernés par l'action, notamment ceux de l'environnement CMDT, se voient menacés dans leur existence et résistent au changement. Ces acteurs ont exprimé de sérieuses réserves envers la libéralisation de la filière coton et se caractérisent plutôt comme des adeptes d'une attitude interventionniste (BCS, §1.3) D'après le ROM, cela expliquerait la lenteur de la mise en œuvre des mesures de privatisation et de libéralisation de la filière coton qui serait due, en grande partie, au fait que la communication de l'état financier catastrophique de la CMDT par les autorités maliennes laisse à désirer (BCS, § 5.2). <i>Source: ROM/BCS, CF</i></p>
<b>J.4.2</b>	<b><i>Commission support has contributed to increase agricultural commodity production and lower the average cost of production and processing</i></b>
<b>BF Coton</b>	Malgré l'appui de la Commission à travers différentes interventions relatives aux produits agricoles de base (dont le secteur coton est le plus grand bénéficiaire), il n'y a pas eu d'accroissement significatif et durable de la production de produits de base agricoles et il n'y a pas d'évidences que les coûts de production et de transformation des produits de base agricoles ont diminué. Quelques éléments positifs sont néanmoins relevés : secteur cotonnier : baisse de la production suite à la crise financière de 2007, mais l'appui de la Commission a contribué à maintenir la viabilité financière de la filière (STABEX/ PAFFIC: études, apurement de dettes, infrastructures).
<b>TZ Coton</b>	The bulk of the Commission support to agricultural commodities in Tanzania was devoted to sugar, tea and coffee. This support was especially devoted to research and infrastructures, but also capacity building. <u>Cotton</u> : research infrastructures built; laboratories equipments/ houses/ buildings, vehicles; seed multiplication; measurement of the cotton quality (cotton classification) at regional level (regional lab); trained farmers (with a new model to contract farmers).
<b>I.4.2.1</b>	Commission support contributed to stimulate research (in the field of production factors and producer access to them, and labour productivity) and the dissemination of research results to producers/producer organisations
<b>CI Cotton</b>	Oui. Les mesures Stabex dans le <u>secteur coton</u> s'inscrivent dans la continuité des interventions menées par le MinAgri : soutien à la production (non aux prix), par un soutien à l'investissement sous forme subventionné (intrants, équipements), à la recherche appliquée (production de matériel végétal, etc.) et au renforcement institutionnel (OPA, interprofession, fonctions de pilotage, etc.) (Source : Eval

	Stabex 2009).
<b>BF coton</b>	Au Burkina, la recherche cotonnière est assurée au sein de l'Institut de l'Environnement et des Recherches Agricoles (INERA). Son financement est à 95% assuré par la filière cotonnière. <i>Source : Etude prospective sur la filière coton au BF, 2009</i>
<b>BF coton</b>	Le programme d'amélioration de la fertilité des sols des exploitations biologiques en zone cotonnière a établi en 2009 une contractualisation avec des structures de recherche pour mener les recherches suivant les axes suivant : (i) la mobilisation et la gestion de la matière organique au sein des exploitations ; (ii) l'approvisionnement en semences biologiques et (iii) l'efficacité des biopesticides locaux utilisées par les producteurs de coton biologique. <i>Source : Rapport narratif du programme, 2009</i>
<b>TZ Cotton</b>	<p>EU support: First time, STABEX project which addressed issues with cotton research focused on building agricultural research institutes in Tanzania (Kiliguru, Morogoro). This allows to do research. It brought laboratories equipments/ houses/ buildings, vehicles, farming implements. It brought also water supply. It was a big project for the cotton sector. After that the same STABEX funded seed multiplication. Then funded regional project implemented by TBS (cooperating with the Cotton Board): cotton classification and measurement. TBS is a benchmark for the region and strengthens the regional labs. Labs in the region used the lab in Tanzania to confirm results. The same programme is there to help regional labs too (e.g. training). Easy to measure cotton there Tanzania and compare them to international standards.</p> <p>Cotton: not been able to set up an independent institution such as in tea and coffee. There are 2 institutions in 2 regions but they have been instrumental in developing agro practices, varieties, training extension workers and advice on trade issues. Development of new varieties, screen chemicals suitable for the environment. Institute important advising all the matters of trade for the cotton sector. Cotton board manage more efficiently. In 2002, it was realised that there were a lot of inefficiencies. Producers complained about Crop board services. EU and WB commissioned a crop board rationalisation study; it was carried out and made recommendations to be implemented (removal of taxation, decrease the regulatory power of the boards, increase participation of stakeholders, foster mechanisms for PPP). Need money to implement these recommendations. There were remaining funds from STABEX that have been used to that purpose. Issue on 1) making sure producers participate in the decision processes and 2) fostering a mechanism for building a PPP to provide benefits to private and public sectors. STABEX funds help that. <i>Source: MN 649, MN 602</i></p>
<b>I.4.2.2</b>	Commission support contributed to improve production factors and farmers access to them (e.g. extension services/agricultural techniques, water, fertilizers, seeds, energy)
<b>Cotton</b>	<p>Pas d'évidence de ces aspects dans les rapports consultés. Il faut remarquer que, dans le contexte de la sécurité alimentaire du Mali, toujours précaire, le rapport ROM comprend mal que c'est à la filière coton qu'il incombe la fonction d'apporter les intrants de campagne aux agriculteurs. Dans le contexte national, ceci effectivement exclut les producteurs qui ne s'engagent pas dans la culture de coton et ceux opérant dans les zones non-cotonnières de toute agriculture moderne (BCS, §4.2).</p> <p>Le rapport ROM note que les producteurs performants sont ceux qui ont les premiers quitté la filière coton. La raison principale invoquée est le fait qu'ils se sont</p>

	trouvés en "caution solidaire" pour le remboursement des crédits de campagne coton envers les banques opérant avec la CMDT, c'est à dire ont été tenus garants des prêts des agriculteurs non performants non capables de rembourser les crédits de campagne. Pour pallier à cet effet inverse, le principe de caution a été changé au profit d'un système volontaire, dans lequel les agriculteurs choisissent eux-mêmes les partenaires de caution, installant ainsi un système d'autocontrôle efficace (BCS, §5.3). <i>Source: Intervention Fiche, ROM/BCS</i>
<b>CI Coton</b>	Oui. Les mesures Stabex dans le secteur coton s'inscrivent dans la continuité des interventions menées par le MinAgri : soutien à la production (non aux prix), par un soutien à l'investissement sous forme subventionné (intrants, équipements,...), à la recherche appliquée (production de matériel végétal, ... ) et au renforcement institutionnel (OPA, interprofession, fonctions de pilotage, ... ) (Source : Eval Stabex 2009).
<b>BF coton</b>	<p>Divers appuis y contribuent :</p> <ul style="list-style-type: none"> <li>▪ Appuis STABEX : Appuis aux activités d'appui et d'encadrement des producteurs réalisées par l'UNPCB, accès aux intrants</li> <li>▪ Programme d'amélioration de la fertilité des sols des exploitations biologiques en zone cotonnière (production et utilisation de matière organique, mise au point et utilisation de nouvelles formulations de pesticides non chimiques (biologiques), mise en place d'une ferme semencière pour approvisionner les producteurs bio en semences certifiées bio.</li> <li>▪ Programme tous ACP, volet coton : GIPD/FAO : développement de techniques culturales dans le cadre d'une amélioration de la fertilisation des sols, production de semences.</li> </ul> <p>Cependant, l'impact de ces améliorations est difficile à évaluer/quantifier. Les interventions du STABEX, plus anciennes, semblent avoir été appréciées bien que leur portée soit considérée comme trop limitée par rapport aux besoins réels et qu'aucun rapport d'évaluation de ces interventions STABEX n'ait pu être obtenu. Les interventions du Programme tous ACP ont un impact potentiel plus important mais leur portée relative reste encore assez limitée que pour s'attendre à des impacts significatifs à grande échelle. De manière plus générale, mis à part pour le STABEX, les autres interventions sont aussi trop récentes que pour évaluer des impacts. Par ailleurs, il faut également noter que le financement direct des activités du Programme tous ACP se termine au plus tard fin décembre 2011. <i>Sources : Rapport FAO, 2<sup>nd</sup> semestre 2010, Focus group, MN 510 et 575, Rapport narratif 2009 du Programme d'amélioration de la fertilité des sols des exploitations biologiques</i></p>
<b>I.4.2.3</b>	Commission support contributed to increase agricultural commodities crop yields, crop quality and quantity
<b>ACP-ACP Coton</b>	<p>Under the All ACP programme, the CFC has supported different activities for the cotton sector.</p> <p><i>For the Cotton Instrument Testing project - 0.ACP.F01:</i></p> <ul style="list-style-type: none"> <li>▪ A "Guideline for Commercial Standardized Instrument Testing of Cotton" is currently being developed in cooperation between FIBRE, CIRAD and the USDA-AMS, with six additional contributing organizations, replacing the ITMF and the USDA guidelines and adding significant information e.g. from project findings. The full text will be presented for approval during the ICAC Plenary Meeting in September 2011.</li> <li>▪ The 16th Round Trial has finished and for 2011 110 labs from all continents are registered. From Africa, 14 laboratories from 10 countries (Burkina Faso,</li> </ul>



Egypt, Mali, Senegal, South Africa, Sudan, Tanzania, Uganda, Zambia, and Zimbabwe) registered for 2011.

- Two Regional Technical Centres in Mali and Tanzania are fully operational. Support and trainings for the RTC's are ongoing with 4 trainings in 2011 so far. The RTC's are performing most of their regular work: trainings were given to laboratories and additionally to the stakeholders in each region, including trainings supported by the instrument manufacturers.
- Most emphasis is given on developing a viable structure for the future work of the RTC's after the end of this project. For RTC East/Southern Africa, a Memorandum of Association (MoA) and an according Business Plan were prepared.
- The Government of Tanzania has extended its support to Tanzania Board of Standards to include RTC activities, forming a bridge function until reaching financial sustainability. The RTC will be within the TBS organisational structure, but will maintain the Regional status through a Regional Steering Committee composed of the Chief Executives from the Cotton Organizations of Tanzania, Uganda, Zambia, Zimbabwe, Mozambique, Kenya, Malawi and Sudan.

*For the project on Improved Cotton Production Efficiency - 2.ESA.F01:*

- The key findings of the baseline survey and the status of the ongoing project activities in Kenya were presented during the Fibre Crops Agricultural Product Value Chains (APVC) Analysis Workshop held between 26th and 28th April 2011, at Egerton University Njoro, Kenya. In Mozambique, the results of the baseline survey were presented during the Cotton Stakeholder's Meeting on Seed Cotton Minimum Price Negotiations in Nampula, 8th – 9th April 2011, chaired by the Minister for Agriculture.
- Comparative analysis of production practices and post-harvest handling of cotton by smallholder farmers in Kenya and Mozambique is in progress and is expected to be ready for presentation during the World Cotton Research Conference in India (7th -11th November, 2011);
- In Kenya, 15 new FFSs groups with a total of 554 members (>30% female farmers) were established (February/March 2011) in Baringo North, Lamu West and Tana delta districts. Cotton was planted in the PTD trials in April/May 2011, based on the onset of the rains, and agro-ecosystem analysis (AESA) at these FFS sites is ongoing. For the 15 FFSs that were established in October/November 2010 in the eastern region (Kathonzweni, Tharaka South and Kitui Central districts) harvesting of cotton (normally end in August) is ongoing and the FFSs members have already conducted 5-10 AESA sessions.
- At each FFS site, both traditional and ICM practices (including strip cropping) are being evaluated on 0.5ha plots. On the ICM plots, improved seeds of cotton acquired from the Cotton Seed Multiplication and Research Center in Namialo (CIMSAN/IIAM) were introduced for the first time along with strip intercropping (cotton and maize; Cotton and soya beans), and decision on the pest management strategy is based on the results of the AESAs.

*Project on Prevention of Seed Cotton Contamination - 2.WST.F02*

- 9,043 producers belonging to 1,539 cooperatives are participating in the programme, 18,000 other producers belonging to 785 cooperatives have been identified in Banfora (Burkina Faso), Korhogo (Cote d'Ivoire) and in Sikasso (Mali). 88 extension agents, 120 transporters and 361 staff of the gins were trained by the project

	<ul style="list-style-type: none"> <li>▪ 63,000 bags and 27,000 cotton bale cover sheets were distributed in the project area, 868 sheds were constructed. Results obtained indicate that the contamination problem was reduced in the project zone compared to non-project areas.</li> <li>▪ During the first year of production 24,953 MT of seed cotton or 10,121 MT of fibre cotton was produced, 9120 of samples have been collected during ginning. In June CERFITEX signed a contract with the PEA to determine the contamination in the collected samples.</li> </ul> <p><i>Source: Common Fund For Commodities (CFC), 6 Monthly progress report of the All ACP programme for the period from January to June 2011 and Programme operational activity report, 27 July 2011</i></p>
<b>Cotton</b>	<p>Pas d'évidence de ces aspects dans les rapports consultés. Le rapport ROM note plutôt que les producteurs performants sont ceux qui ont les premiers quitté la filière coton. La raison principale invoquée est le fait qu'ils se sont trouvés en "caution solidaire" pour le remboursement des crédits de campagne coton envers les banques opérant avec la CMDT, c'est à dire ont été tenus garants des prêts des agriculteurs non performants non capables de rembourser les crédits de campagne. Pour pallier à cet effet inverse, le principe de caution a été changé au profit d'un système volontaire, dans lequel les agriculteurs choisissent eux-mêmes les partenaires de caution, installant ainsi un système d'autocontrôle efficace (BCS, §5.3). <i>Source: Intervention Fiche, ROM/BCS</i></p>
<b>TZ Cotton</b>	<p>EU supported the funding of a cotton research lab that is operated under the Tanzanian Bureau of Standards and caters for regional testing. Support to TBS testing lab: directly benefiting the private sector through the marketing. Indeed historically Tanzania produced high quality cotton but with the liberalisation in the mid 1990's the crop marketing systems broke down and private buyers didn't distinguish cotton grades so everything was lumped together. Without a premium for quality, the quality went down. In order to restore international confidence in the quality of the TZ cotton testing facilities are required. Ginner buy seed cotton and then produce lint that is bought for export. But this lint needs to be tested. Currently 3 ways to get it tested: one private company, the TBS lab and the Tanzanian Cotton Board.</p> <p>At the moment farmers are not rewarded for the quality of their cotton. At the point of entry into the ginning process, the cotton seed is just graded either 'high' or normal. The buyer of the cotton lint tests for lint quality and when he sells it gets tested and if there is a premium it should get back to the farmers (but doesn't currently). <i>Source: MN 101</i></p>
<b>BF Cotton</b>	<p>Plusieurs interventions financées par la Commission sont orientées vers l'augmentation des rendements et de la production, avec un souci marqué de durabilité liée à la préservation/amélioration de la fertilité des sols, le niveau de production et la qualité du coton :</p> <ul style="list-style-type: none"> <li>▪ Programme d'amélioration de la fertilité des sols des exploitations biologiques en zone cotonnière (NB. Bien qu'elle se soit sensiblement développée depuis 2006, la production de coton biologique(-équitable) ne représente toujours que quelques pourcents (2-3%) de la production totale de coton du BF (production de « niche »).</li> <li>▪ Programme tous ACP :GIPD/BPA/FAO</li> </ul> <p>Un suivi des rendements et des productions est assuré dans chacune des</p>

<p>interventions. Les résultats sont encourageants (exemple GIPD/FAO : une évaluation fin 2010 a conclu le rendement moyen du coton produit par BPA/GIPD est d'environ 40 % supérieur à celui obtenu avec le coton conventionnel (parcelles témoin). C'était aussi le cas pour le maïs (+ 54%). <i>Source : Rapport narratif 2009 du Programme d'amélioration de la fertilité des sols des exploitations biologiques ; FAO, 6 monthly progress report : 1 July-31 December 2010.</i></p> <p>Cependant, on ne peut pas présumer d'un impact significatif à relativement large échelle en termes d'augmentation des rendements et des productions, vu le caractère encore trop récent des interventions et de leur nature expérimentales (ex. Ce qui est obtenu sur un champ école de producteurs (CEP) ne signifie pas encore une « adoption/diffusion à large échelle dans les exploitations familiales cotonnières. Par ailleurs, il faut également noter que le financement direct des activités du Programme tous ACP se termine au plus tard fin décembre 2011 et que, malgré un impact potentiel plus important, leur portée relative reste encore assez limitée pour obtenir des impacts significatifs à grande échelle. Cela semble aussi être le cas pour le Programme d'amélioration de la fertilité des sols des exploitations biologiques en zone cotonnière.</p> <p>Plusieurs interventions financées par la Commission sont orientées vers l'augmentation de la qualité du coton graine et de la fibre :</p> <ul style="list-style-type: none"> <li>▪ Programme d'amélioration de la fertilité des sols des exploitations biologiques en zone cotonnière. Il s'agit de produire un coton d'une qualité telle que définie par le cahier des charges de la production bio.</li> <li>▪ Programme tous ACP :       <ul style="list-style-type: none"> <li>- CFC, en collaboration avec Banque mondiale (SDN) : Projet de prévention de la contamination de coton graine en Afrique de l'Ouest</li> <li>- Standardisation commerciale des techniques instrumentales pour les tests de qualité du coton.</li> </ul> </li> </ul> <p>La lutte contre la contamination du coton graine semble être un projet très pertinent d'autant qu'il est en cohérence avec la politique/stratégie qualité de l'UEMOA et de l'Association Cotonnière Africaine (ACA). Le défi reste d'arriver à généraliser et viabiliser la pratique à une échelle suffisante pour avoir de l'impact. Le coût et le financement des kits de récolte constitueront un élément important de la viabilité de la pratique, de même que la mesure de la non contamination. Il sera tout aussi important d'arriver à valoriser le coton non contaminé pour qu'il puisse générer une prime dont la répartition entre producteurs et égreneurs sera clairement établie et qui justifiera les efforts entrepris pour lutter contre la contamination.</p> <p>La standardisation commerciale des techniques instrumentales s'inscrit dans un processus de plus en plus développé au niveau international d'objectiver la mesure de la qualité du coton par mesures instrumentales (par rapport à une mesure/classification visuelle/manuelle de la qualité). Pour l'AOC, le Centre Technique Régional (CTR) installé au Mali, CERFITEX de Ségou concerne indirectement le BF, à travers son laboratoire national de classification de la fibre (SOFITEX) et la SOFITEX qui est partenaire du projet pour des aspects liés à l'expertise et à la formation.</p> <p>Malgré une exécution technique correcte du projet, des problèmes importants restent à résoudre pour espérer un impact significatif sur la qualité du coton : (i) une viabilisation institutionnelle du CTR de Ségou, ce qui implique un statut juridique clair et une contractualisation effective entre les partenaires (NB. le partenariat avec la SOFITEX ne fonctionne pas pour le moment, cette dernière estimant plutôt être considérée comme un client que comme un partenaire) ; (ii) une viabilisation</p>
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économique du CTR. Cela implique de répondre à diverses conditions dont les principales sont que :

- Le CTR puisse travailler en réseau avec les laboratoires nationaux de classification des principaux pays cotonniers de la sous-région (il reste à ce niveau un gros travail de mise aux normes de ces labos que le projet ne pourra pas assumer seul. NB. D'après la SOFITEX, la mise aux normes des laboratoires nationaux aurait dû être un préalable à l'établissement du CTR)
- Que le rapport coût/avantage de ces investissements soit bien établi et démontré aux interprofessions cotonnières nationales et aux associations cotonnières régionales (ACA, AProCA) afin que les filières cotonnières comprennent l'intérêt du réseau CTR-laboratoire nationaux et contribuent à son financement.

*Source : Rapport narratif 2009 du Programme d'amélioration de la fertilité des sols des exploitations biologiques ; CFC, 6 monthly progress report : 1 July-31 December 2010 ; Commercial Standardization of Instrument Testing of cotton for the Cotton Producing Developing Countries in Africa. Mid Term- Evaluation, 2010 ; Mise à jour relative au partenariat Union européenne – Afrique sur le coton, mai 2011. MN 575*

Le programme de Lutte contre la contamination du coton/ coton PPCC financé sous le programme Tous ACP et appuyé par le CFC est un programme élaboré au niveau de pays africains de l'Afrique de l'Ouest (Burkina, Côte d'Ivoire, Mali). Il est mis en œuvre par le Centre international pour la Fertilité des sols et le Développement agricole (IFDC). Au niveau local, il y a une mesure de la qualité pour 150 kg de fibres (100kg venant du projet, 50kg hors projet). On attend les analyses de CERFITEX (basé à Ségou au Mali). C'est une première démarche de qualité, et qui reste à pérenniser. La SOFITEX est chargé de suivre ce dossier et d'avoir le feedback des filatures.

Le défi est de partager les gains en termes de contamination au producteur (qui reçoit aujourd'hui le kit). Le but est de décrocher une prime. Il y a eu des échanges sur une rémunération.

A noter que la viabilité de la mesure de la qualité de la fibre de coton est loin d'être assurée ; il reste à valoriser la qualité auprès du producteur. Le kit d'analyse est donné au producteur (gratuit). Mais après ? Et puis comment valoriser la qualité par un meilleur prix (la prime) ? Le kit est à 755 FCFA en 2011. Mais le prix de cette année est plus élevé. Un kit peut faire deux campagnes. Il y a 30% de dégradation sur le kit actuel après une campagne. *Source : MN 526*

En 2004, il y a eu un financement de GTZ, DANIDA et CE en lien avec le Comité interprofessionnel des filières céréales et niébé du Burkina (CICB). GTZ était chargé de la mise en place du programme. GTZ a recruté un bureau local pour la mise en œuvre. Les fonds CE étaient à part, et n'ont pas été donnés au bureau local choisi. Les fonds CE ne faisaient pas partie de l'enveloppe de GTZ. Le plan d'action a duré pendant 2,5 ans. Une évaluation devait avoir lieu pour tirer des leçons. Mais l'Etat n'avait pas prévu cela et il n'y a pas eu de suivi et d'évaluation. Après 2,5 ans, les PTFs ont arrêté le financement. Les fonds de la CE n'ont pas été totalement dépensés. Le programme a demandé d'utiliser l'argent pour acheter le matériel pour faciliter la post-récolte et transformation. Il y a eu achat de balances et de moulins pour améliorer la qualité des produits céréaliers (environ 300 millions FCFA sur les 800 millions de FCFA prévus au départ ; 500 millions environ n'ont pas été dépensés).

A travers le programme FAO, supporté par le Programme Tous ACP, des consultants de la FAO ont mis en œuvre des tables rondes sur un certain nombre de

	<p>filières (maïs, niébé, sésame, riz). Les consultants ont sollicité le CICB pour identifier les participants dans les organisations (cela a commencé en 2009). Après la table ronde, les expériences de l'interprofession ont été présentées. Comme la FAO travaillait sur le warrantage, elle a été intéressée d'aider le CICB. Des ateliers ont été mis en œuvre pour définir les activités à mener avec la FAO, au Sénégal un atelier sur le financement des interprofessions (présentation des expériences du CICB). Deux activités FAO retenues avec le CICB : 1) warrantage 2) cartographie des risques dans la filière maïs. Fin juin 2011, l'atelier sur le warrantage aura lieu. Mais il y a beaucoup de retard dans les activités menées par la FAO. <i>Source : MN 550.</i></p>
<b>I.4.2.4</b>	Commission support contributed to improve infrastructures (e.g. feeder roads) related to agricultural commodity production, collection and processing
<b>Cotton</b>	<p>Par le passé, la CE a largement participé au développement de la filière coton dans le cadre du mécanisme de stabilisation des exportations "STABEX", à travers des appuis directs à la SOFITEX et à l'UNPCB ainsi qu'aux groupements de producteurs de coton. La construction d'infrastructures villageoises et la réhabilitation des routes nationales RN1 et RN4 utilisées pour le transport du coton, en sont des exemples. <i>Source : Allocution signature CF</i></p> <p>L'objectif spécifique n° 3 de l'intervention est de Procéder à la réhabilitation/reconstruction d'environ 350 à 400 km de pistes dans les zones où les perspectives de développement de la production sont importantes et dont l'enclavement compromet sérieusement la sortie à temps et dans de bonnes conditions de la production récoltée» (Synthèse de Projet, p.1). Le rapport ROM relève que la réhabilitation des routes a été achevée et la totalité des fonds prévus a été perçue dans les délais programmés (BCS, §2.1). Il mentionne que la réhabilitation des pistes est la seule activité à produire des résultats "tangibles" (BCS, §2.2). Il précise également qu'une vraie viabilité du volet pistes cotonnières nécessitera une rétraction sur les zones cotonnières les plus productives et ayant des fonctions autres que l'évacuation du coton. Il constate qu'une étude basée purement sur des données économiques n'a pas été faite (BCS, §5.1). <i>Source: ROM/BCS</i></p>
<b>BF coton</b>	<p>Les appuis ayant contribué à l'amélioration d'infrastructures ont été réalisés dans le cadre du: STABEX :</p> <ul style="list-style-type: none"> <li>▪ Construction de magasins de stockage des intrants (estimés à environ 60) au niveau de groupements de producteurs de coton (GPC). Appuis passés, appréciés, mais jugés nettement insuffisants en fonction des besoins (ex. en 2007, il existait plus de 12000 GPC).</li> <li>▪ Idem pour la construction/réfection de pistes cotonnières dont l'importance des réalisations ne peut être bien estimée.</li> </ul> <p>Cependant, l'impact de ces améliorations est difficile à évaluer/quantifier (aucun rapport d'évaluation n'a pu être trouvé), hormis dans une certaine mesure, pour les magasins de stockage et tenant du fait qu'elles ont été appréciées (UNPCB, SOFITEX) bien qu'en précisant qu'elles sont loin de suffire pas par rapport aux besoins réels.</p> <p><i>Source : MN 510, 575 ; Diagnostic de la filière coton et identification d'axes stratégiques. Rapport final, 2007.</i></p>

<b>I.4.2.5</b>	Commission support contributed to improve the collection and processing of agricultural commodities
<b>BF coton</b>	<p>Diverses interventions ont contribué à améliorer la collecte et la transformation primaire (égrenage) du coton</p> <ul style="list-style-type: none"> <li>▪ Le STABEX : contribution à l'amélioration de la collecte à travers la construction/réfection de pistes cotonnières, de magasins de stockage pour la collecte-entrepasage du coton graine</li> <li>▪ Programme d'amélioration de la fertilité des sols des exploitations biologiques en zone cotonnière. La technique de récolte, de tri, de séchage et stockage du coton biologique fait partie des formations dispensées par le programme.</li> <li>▪ Programme tous ACP : <ul style="list-style-type: none"> <li>- GIPD/BPA/FAO : également, des formations analogues sont dispensées</li> <li>- Projet de prévention de la contamination de coton graine en Afrique de l'Ouest : sensibilisation et formation à la lutte contre la contamination au niveau de la récolte (avec des kits de récolte adaptés) mais aussi du stockage, transport et de l'égrenage.</li> </ul> </li> </ul> <p>Cependant, l'impact de ces améliorations est difficile à évaluer/quantifier. Aucun rapport d'évaluation des interventions du STABEX n'a pu être obtenu. Les interventions du Programme tous ACP ont un impact potentiel plus important mais leur portée relative reste encore assez limitée que pour avoir des impacts significatifs à grande échelle. D'une manière générale, les interventions sont trop récentes pour évaluer des impacts. Par ailleurs, il faut également noter que le financement direct des activités du Programme tous ACP se termine au plus tard fin décembre 2011. Cela devrait également être le cas pour le Programme d'amélioration de la fertilité des sols des exploitations biologiques en zone cotonnière. <i>Sources : Rapport narratif 2009 du Programme d'amélioration de la fertilité des sols des exploitations biologiques ; CFC et FAO, 6 monthly progress report : 1 July-31 December 2010</i></p>
<b>J.4.3</b>	<b><i>Commission support has contributed to improve the capacity of producers to respond to commodity market requirements</i></b>
<b>BF Coton</b>	L'appui de la Commission a contribué à améliorer la capacité des producteurs à répondre aux demandes du marché, dans le secteur du coton (par exemple: prévention contamination coton (CFC/ IFDC).
<b>TZ Cotton</b>	<p>The interventions financed by the Commission have contributed to improve the quality of agricultural products, especially in the cotton sector where the measurement of the quality of cotton has been launched at regional level.</p> <p>There is no evidence that the EC support has contributed to increase the number of producers' organisation, except in the tea sector.</p>
<b>I.4.3.1</b>	Commission support contributed to improve availability and use of market information and advisory services to producer organisations/producers (e.g. agricultural commodity prices, quality standards, packaging, timely delivery, etc.) at national and regional level
<b>ACP-ACP</b>	<p>Under the All ACP programme, the World Bank supported the prevention of seed cotton contamination in West Africa (2.WST.D01 - Prevention of seed cotton contamination in West Africa). Budget: \$109,770.74 out of \$505,400 has been disbursed to date (30 June 2011)</p> <p>This activity, conducted jointly with CFC, aims at tackling the issue of (seed) cotton contamination through the development of improved harvesting techniques and other value chain improvements. WB-SDN has opted to concentrate on the</p>

	<p>institutional issues that the introduction of a differentiated ‘clean’ cotton stream will pose namely: (i) incorporate a ‘non contamination’ element in the specifications contractually describing seed cotton both at national and regional (WAEMU) levels; (ii) sensitize the ginners to the emergence of a ‘clean’ cotton stream and obtain their cooperation in marketing it separately, in order to obtain a premium to be shared fairly between growers and ginners.</p> <p>It should be recalled that WB-SDN opted for a two pronged approach to implement activities (i) recruitment of an international consultant to take the overall charge of this activity and in particular oversee the technical work to be performed by the African Cotton Association (ACA), and (ii) recruit ACA to conduct needed technical work within its specialized commissions, in particular the ‘Quality and Metrology’ Commission. In the period under review, two major meetings were organized by the African Cotton Association and funded by AAACP:</p> <p>On February 1-2 a 25 people meeting was organized in Ouagadougou (Burkina Faso) to discuss methodological and strategic issues to achieve the above objectives, and take a formal stance on the relevance of devising a ‘quality charter’ to be used by cotton producer organizations and ginners throughout the Region. The idea is that this ‘Quality Charter’ would describe the various steps to be taken at various levels of the value chain to ensure that the better quality of seed cotton resulting from improved harvesting techniques (aiming at collecting contamination-free seed cotton at village level) is maintained throughout the supply chain to the ginneries. The plan is that this Quality Charter would be first discussed at national level (ACA bringing together members from the various WAEMU cotton producing countries), and then become adopted both at national level and at WAEMU level. This meeting brought together representatives of both ACA and AProCA (Association des Producteurs de Coton Africain) and formally constituted the ‘Regional Committee to fight Cotton Seed Contamination’. UEMOA representatives in charge of the cotton subsector also participated in the meeting.</p> <p>On April 14-16, 2011, took place in Abomey Calavi (Benin) the first meeting of this newly constituted Regional Committee which brought together eight key members from three of ACA’s technical commissions: ‘production’, ‘marketing’ and ‘quality-metrology’. This meeting devised the work program that the eight members would achieve in the period until the next Regional Committee meeting scheduled for August. A detailed report on the workshop proceedings is available.</p> <p><i>Source: WB-Sustainable Development Network (WB-SDN), 6 Monthly progress report of the All ACP Programme</i></p>
<p><b>BF coton</b></p>	<p>Quelques interventions ont contribué à améliorer les informations sur les marchés et les conseils aux organisations de producteurs.</p> <ul style="list-style-type: none"> <li>▪ Programme d’amélioration de la fertilité des sols des exploitations biologiques en zone cotonnière. Des opportunités de marché ont été étudiées conduisant à retenir le sésame, le soja et l’Hibiscus comme cultures à intégrer avec le coton dans le système de rotation. Une information et formation régulières sont également données aux producteurs sur des aspects liés aux prix des productions bio et à leur qualité requise par le marché.</li> <li>▪ Programme tous ACP : <ul style="list-style-type: none"> <li>- CCI/ITC- développement de la chaîne de valeur orientée vers le marché (meilleure connaissance des marchés d’exportations et de la demande finale à travers des missions d’échange-formation privilégiant la coopération Sud-Sud (ex. Thaïlande, Chine, Inde, Turquie...) dont certaines ont inclus des représentants de la filière cotonnière du BF.</li> </ul> </li> </ul>

	<p>- CFC-Projet de prévention de la contamination de coton graine en Afrique de l'Ouest : Une visite au BF de filateurs du Vietnam et du Bangladesh a été organisée en 2011 pour échanger avec des représentants des producteurs et sociétés cotonnières du BF sur les demandes de la filature en termes de non contamination.</p> <p>Cependant, l'impact de ces améliorations est difficile à évaluer/quantifier, notamment en termes d'augmentation de ventes de coton (quantité, prix). Les interventions du Programme tous ACP ont un impact potentiel plus important bien que leur portée relative reste assez limitée que pour avoir des impacts significatifs à grande échelle. De plus, les interventions sont trop récentes pour évaluer des impacts. Par ailleurs, il faut également noter que le financement direct des activités du Programme tous ACP se termine au plus tard fin décembre 2011, de même, en principe que pour le Programme d'amélioration de la fertilité des sols des exploitations biologiques en zone cotonnière.</p> <p><i>Source : Rapport narratif 2009 du Programme d'amélioration de la fertilité des sols des exploitations biologiques ; CFC et CCI/ITC, 6 monthly progress report : 1july-31 December 2010.</i></p>
<p><b>TZ Cotton</b></p>	<p>In Tanzania, the All ACP Programme through the CFC funded a cotton testing laboratory located under the Tanzania Bureau of Standards. This has been set up over the past four years, starting with training of staff, then acquisition of equipment and functional since 2010. The cotton testing laboratory is to serve Eastern and Southern African countries. The aim is to disseminate instrumental classification of cotton's strength, colours/ brightness, maturity, and length. The TBS has been trained and are now training people from other regions since knowledge about cotton quality is very poor and there is a need to see if cotton answers worldwide market requirements before being sold and for producers to know the quality of their cotton so they can get the price corresponding to the quality offered.</p> <p>Competences of trained staff within TBS are thus also transferred to other laboratories in East and West Africa: 2 trainings every year provided by TBS to each involved country (to lab technicians and lab managers); they have to send one lab assistant to be trained before coming back home. They can also go and train a group in country if need be.</p> <p>The TBS works in close partnership with the Cotton Board. Persons working in the laboratories are part of the Cotton Board.</p> <p>The TBS has not yet managed to make cotton testing mandatory at regional level but is considering an advertisement campaign to raise awareness about the necessity and benefits of testing. Samples of cotton are sent to the TBS by courier for rapid treatment before sale.</p> <p>CosCotton: Work with the ITC (International Trade Centre) to increase Tanzanian direct cotton exports (instead of through agents). Since 2006 there is a lot of training visits in India, Thailand, Taiwan, Senegal, etc. To visit the Ministers to expand the business. For the industry we are exposed to other countries (like India). Training helped to shape activities in Tanzania. After training, we have defined a new model to contract farming (between ginners and farmers) to support the farmers. It has been pilot tested and will now be extended. TZ cotton is discounted because of quality but now with contract farming the quality is improving and prices rise. <i>Source: MN656 and MN 649</i></p>



<b>I.4.3.2</b>	Commission supported interventions contributed to an increased number of producers/ producer organisations having direct contracts with supermarket chains and/or are certified with a label
<b>Cotton</b>	<p>Pas d'évidence de ces aspects dans les rapports consultés. Cependant, le rapport ROM relève que le projet, par son volet "alphabétisation", avait prévu de contribuer à mettre les producteurs en mesure à savoir négocier leur partenariat individuel avec les nouvelles sociétés d'égrenage et de commercialisation issues de la privatisation. Il note qu'une simple alphabétisation des producteurs ne permettra pas nécessairement à ceux-ci de pouvoir négocier des contrats commerciaux avec des commerçants/égreneurs. Il recommande de préciser la nature des enseignements (volet alphabétisation) à fournir par l'ADF pour être sûr que l'alphabétisation des producteurs leur permettra véritablement de devenir des associés dans des structures assez complexes, et si un volet "calculs commerciaux" ne serait pas préférable, ou du moins à inclure dans le curriculum.</p> <p>Relevons qu'un élément critique formulé par l'identification portait déjà sur la pertinence de l'alphabétisation fonctionnelle qu'elle considère comme étant un besoin structurel de long terme qui ne trouvera pas de solution par un appui ponctuel sur un ou deux ans. En matière de structuration des OP dans la zone cotonnière, l'identification suggère plutôt que d'autres objectifs plus directement liés à la Réforme de la Filière, soient soutenus (ex. participation aux mécanismes de gestion pour en améliorer la transparence et l'efficacité). (Checklist, Identification phase, p2). <i>Source: ROM/BCS, Intervention Fiche</i></p>
<b>BF Coton</b>	<p>Les interventions (PAFFIC, Programme d'amélioration de la fertilité des sols et celles du Programme tous ACP) ont débuté à partir de 2008, et pour certaines 2010-début 2011. Elles ont pris place dans un contexte de crise financière très profonde que la filière cotonnière du BF a vécu de 2005 et 2009. Ainsi, entre 2006 et 2010, la production de coton a chuté de plus de 50% s'accompagnant d'une diminution importante (au moins 25-30%) du nombre de producteurs.</p> <p>Ce contexte a certainement favorisé l'engouement relatif pour le coton bio-équitable qui proposait un prix au producteur jugé attractif car le différentiel avec le prix du coton conventionnel était substantiel. Ainsi, 2 ans après le début de ses activités, le programme d'amélioration de la fertilité des sols des exploitations biologiques en zone cotonnières comptait près de 8000 producteurs. En termes de marché, ce type de production est basé sur des contacts plus directs entre demandeurs finaux (firmes/marques du textile/habillement) et producteurs. Cependant, favorisé par la crise financière et économique mondiale qui a débuté en 2008, le coton bio-équitable du BF a été confronté à une contraction de la demande telle qu'elle a conduit à une mévente d'une partie de la production de 2009/10.</p> <p>Les appuis du Programme tous ACP :</p> <ul style="list-style-type: none"> <li>- CCI/ITC- développement de la chaîne de valeur orientée vers le marché favorise des contacts directs entre acheteurs et vendeurs.</li> <li>- CFC-Projet de prévention de la contamination de coton graine en Afrique de l'Ouest : Une visite au BF de filateurs du Vietnam et du Bangladesh a été organisée en 2011 pour échanger avec des représentants des producteurs et sociétés cotonnières du BF sur les demandes de la filature en termes de non contamination.</li> </ul> <p>D'une manière générale, les interventions sont trop récentes pour évaluer des impacts en termes d'accroissement du nombre de producteurs/organisations ayant des contacts directs avec des utilisateurs/consommateurs des principaux marchés du</p>

	<p>sud. Par ailleurs, il faut également noter, d'une part, la portée relative assez limitée des appuis que pour avoir des impacts significatifs à ce sujet et, d'autre part, que le financement direct des activités du Programme tous ACP se termine au plus tard fin décembre 2011.</p> <p><i>Source : Rapport narratif 2009 du Programme d'amélioration de la fertilité des sols des exploitations biologiques ; CCI/ITC et CFC, 6 monthly progress report : 1july-31 December 2010 ; Mise à jour relative au partenariat Union européenne – Afrique sur le coton, mai 2011. MN 510</i></p>
<b>I.4.3.3</b>	Commission supported interventions contributed to an increased number of producers/ producer organisations being coordinated at national and regional levels
<b>Cotton</b>	<p>The coordination between activities and their follow-up in the cotton sector is organised in the framework of the <i>Cos-Coton</i>, which is the joint EU-ACP Steering Group set up after agreement on the EU-Africa Cotton Action Plan (2004). Members of the <i>Cos Coton</i> are notable producer organisations from different ACP countries which have interest in developing the cotton sector. <i>Source: Financing agreement n°9571/REG, Annex 2 and <a href="http://www.cotton-ACP.org">www.cotton-ACP.org</a></i></p> <p>Pas d'évidence directe dans les documents consultés, bien qu'on pourrait s'attendre à des effets indirects positifs en terme de coordination des producteurs par le fait que le PAFFIC a permis de financer la participation des producteurs à la recapitalisation des sociétés cotonnières. <i>Source : Allocution signature CF</i></p> <p>Pas d'évidence de ces aspects dans les rapports consultés. Le rapport ROM note plutôt que les producteurs performants sont ceux qui ont les premiers quitté la filière coton. La raison principale invoquée est le fait qu'ils se sont trouvés en "caution solidaire" pour le remboursement des crédits de campagne coton envers les banques opérant avec la CMDT, c'est à dire ont été tenus garants des prêts des agriculteurs non performants non capables de rembourser les crédits de campagne. Pour pallier à cet effet inverse, le principe de caution a été changé au profit d'un système volontaire, dans lequel les agriculteurs choisissent eux-mêmes les partenaires de caution, installant ainsi un système d'autocontrôle efficace (BCS, §5.3). <i>Source: ROM/BCS</i></p>
<b>CI Cotton</b>	Oui. La restructuration et la professionnalisation des OPA (Organisations Professionnelles Agricoles) est une des actions financées par le Stabex, notamment dans le secteur cotonnier. En effet, au sein de la filière coton, la restructuration des faitières vise une meilleure représentativité des producteurs et une plus grande légitimité des organisations avec une implication des producteurs aux débats portant sur la filière. La restructuration du mouvement coopératif vise à assurer une qualité de service aux producteurs, et la participation responsable de ceux-ci aux décisions stratégiques (Source : Eval Stabex 2009).
<b>BF coton</b>	<p>Les interventions (PAFFIC, Programme d'amélioration de la fertilité des sols et celles du Programme tous ACP) ont débuté à partir de 2008, et pour certaines en 2010- début 2011. Elles ont pris place dans un contexte de crise financière très profonde que la filière cotonnière du BF a vécu de 2005 et 2009. Ainsi, entre 2006 et 2010, la production de coton a chuté de plus de 50% s'accompagnant d'une diminution importante (au moins 25-30%) du nombre de producteurs.</p> <p>Ce contexte a certainement favorisé l'engouement relatif pour le coton bio-équitable qui proposait un prix au producteur jugé attractif car le différentiel avec le prix du</p>

	<p>coton conventionnel était substantiel. Ainsi, 2 ans après le début de ses activités, le programme d'amélioration de la fertilité des sols des exploitations biologiques en zone cotonnières comptait près de 8000 producteurs alors que le nombre total de producteurs, regroupés à la quasi-totalité sous l'UNPCB, était en nette baisse. En effet, le poids relatif du coton bio dans la production nationale restant très faible, l'augmentation des producteurs de coton bio (équitable) ne peut inverser la tendance à la baisse du nombre de producteurs de coton conventionnel (NB. Au Burkina, depuis 2010, il faut entendre par coton conventionnel, le coton Bt).</p> <p>Toutefois, on peut estimer que l'intervention PAFFIC (participation au financement des producteurs UNPCB) dans l'augmentation de capital des sociétés cotonnières, rendue obligatoire suite à la crise financière, a permis de ne pas davantage aggraver la tendance.</p> <p><i>Source : Rapport narratif 2009 du Programme d'amélioration de la fertilité des sols des exploitations biologiques; Mise à jour relative au partenariat Union européenne – Afrique sur le coton, mai 2011, MN 510</i></p>
<b>I.4.3.4</b>	Commission support contributed to increased foreign direct investments in the commodity chains, including public-private partnerships, and promotion of sustainable development through social and environmental codes of conduct
<b>BF coton</b>	<p>Il est prématuré de pouvoir estimer/mesurer un accroissement des investissements étrangers dans la filière coton. On peut constater que l'intervention portant sur le programme d'amélioration de la fertilité des sols des exploitations biologiques en zone cotonnière fait la promotion du développement durable en sensibilisant/formant aux respect des codes/standards de production qui sont ceux définis et pris en compte dans la certification biologique et équitable.</p> <p>Programme tous ACP : CCI/ITC- développement de la chaîne de valeur orientée vers le marché (meilleure connaissance des marchés d'exportations et de la demande finale à travers des missions d'échange-formation). Les effets positifs de cette démarche (passation de nouveaux marchés...) sont attendus pour le BF mais pas encore difficile à mesurer. Par ailleurs, il faut également noter la portée relative assez limitée de l'appui, d'autant que le financement direct des activités du Programme tous ACP se termine au plus tard fin décembre 2011.</p> <p><i>Source : Rapport narratif 2009 du Programme d'amélioration de la fertilité des sols des exploitations biologiques; Mise à jour relative au partenariat Union européenne – Afrique sur le coton, mai 2011. CCI/ITC, 6 monthly progress report : 1 July-31 December 2010.</i></p>
<b>I.4.3.5</b>	Evidence that Commission supported activities towards improved competitiveness were coordinated with and complementary to the activities of other donors in the same areas
<b>BF coton</b>	<p>Les interventions de la Commission : appuis STABEX, PAFFIC, programme d'amélioration de la fertilité des sols, Programme tous ACP (GIPD/BPA), lutte contre la contamination, etc. sont en majorité orientées vers l'amélioration de la compétitivité de la filière. Il n'y a pas ou peu d'évidence d'une coordination directe entre PTFs. Cependant, il faut signaler que toutes les interventions des PTFs qui passent par l'UNPCB sont coordonnées par elle. En effet, cette organisation est amenée à coordonner un nombre croissant d'interventions financées par divers bailleurs (DCE, AFD, BAD,...) portant sur l'amélioration de l'exploitation cotonnière. Ainsi, l'UNPCB a élaboré un plan stratégique quinquennal en 2007 pour mieux conduire les appuis de manière coordonnée. Ces appuis sont intégrés dans le plan stratégique. Pour l'UNPCB, peu importe le bailleur et l'instrument de financement, ce qui importe c'est que les appuis s'intègrent de manière</p>

	complémentaire dans leur plan stratégique. <i>Source : Mise à jour relative au partenariat Union européenne – Afrique sur le coton, mai 2011.</i> MN 510.
<b>I.4.3.6</b>	Evidence that obtained results in terms of increased agricultural production and producers' capacity to respond to commodity market requirements outlast Commission support
<b>BF Coton</b>	Pas d'évidence à ce sujet, d'autant que les interventions : programme d'amélioration de la fertilité des sols, interventions du volet coton du Programme tous ACP sont relativement courtes dans leur mise en œuvre (compte tenu aussi de certains retards). Les résultats obtenus en termes d'augmentation de production et de capacité à mieux répondre aux besoins du marché risquent de ne pas être suffisamment consolidés et viabilisés d'autant plus que le financement direct des activités du Programme tous ACP se termine au plus tard fin décembre 2011.
<b>CI coton</b>	Secteur coton : Dans le secteur du coton, la viabilité des opérations conduites dépendra de la capacité de l'Etat à imposer un prix aux producteurs, pour autant qu'il soit en mesure de soutenir le différentiel entre le prix économique et le prix social du produit mais surtout d'en assumer et assurer lui-même le paiement. (Source : Eval Stabex 2009).
<b>TZ Cotton</b>	<p>Main constraints of the cotton sector in Tanzania:</p> <ul style="list-style-type: none"> <li>▪ low productivity. Here we get on average 250 kg of lint/Ha and in the rest of the world the average would be around 700-750 kg/Ha. We encourage farmers to increase this productivity;</li> <li>▪ the quality of cotton but it is going to change;</li> <li>▪ low application of mechanisation. In some areas we need to pay more attention. Land planting is really important. Need to rain when planting/ seeding. There is a cotton development fund (contributions are made by growers and ginners; it funds research, extension services and subsidies for mechanisation) which can be used for facilitating investments into mechanisation. Ox-weeding is important it can be done in 2 hours instead of 7 days and enables early planting so you can benefit from the rains (otherwise cotton is being planted after all the other food crops and that is very late)</li> <li>▪ We still have the capacity building issues. The institutions/ industries: need a strong private sector and need strong associations (through ITC there has recently been a study on strengthening stakeholders associations). They can reinforce each other in the process.</li> <li>▪ Value addition is important in the cotton sector: inadequate funding of research. Need to think about how to finance cotton research. Adequate extension services to farmers are still also a problem.</li> </ul> <p><i>Source: MN 649</i></p>
<b>J.4.4</b>	<b><i>Incomes of producers, sector and countries have improved as a result of Commission's support to the implementation of commodity chain strategies</i></b>
<b>BF Coton</b>	Dans certains cas (anacarde, sésame) et à l'échelle locale, l'intervention soutenue par la Commission a contribué à améliorer les revenus des producteurs. Au niveau des producteurs de coton, les revenus des producteurs et du secteur du coton ne se sont pas améliorés du fait de l'appui de la Commission, mais l'appui de la Commission a contribué à maintenir la filière coton en place.

<b>I.4.4.1</b>	Evidence of increased exports (volume and value) of agricultural commodities to regional and international markets, of which in particular the EU
<b>BF Coton</b>	<p>Pas d'évidence à ce sujet, malgré quelques résultats encourageants mais encore trop partiels enregistrés par la programme d'amélioration de la fertilité des sols des exploitations biologique : la marge brute des producteurs, calculée et suivie depuis 3 ans, serait passée en moyenne de 140 000 à 170 000 FCFA/ha dans le système d'exploitation « coton bio-équitable » et est estimée, en moyenne, supérieure de 25 000 FCFA/ha par rapport à celle obtenue dans le système d'exploitation du « coton conventionnel ».</p> <p>D'une part, les appuis sont trop récents et de portée relative assez limitée que pour avoir des impacts significatifs à ce sujet. Par ailleurs, le financement direct des activités du Programme tous ACP se termine au plus tard fin décembre 2011. D'autre part, le contexte de crise financière profonde dans lequel est plongé la filière coton entre 2005 et 2009 a conduit à une tendance lourde nette ment baissière des revenus tirés du coton par les producteurs pris en tenaille entre des bas prix d'achat de leur coton graine et des coûts des intrants orientés à la hausse (bien que cette hausse ait été atténué par des subventions apportées par l'Etat et, en partie, par les sociétés cotonnières).</p> <p><i>Source : Rapport narratif 2009 du Programme d'amélioration de la fertilité des sols des exploitations biologiques, Mise à jour relative au partenariat Union européenne – Afrique sur le coton, mai 2011.MN 510. Diagnostic de la filière coton et identification d'axes stratégiques, 2007.</i></p>
<b>I.4.4.2</b>	Evidence that foreign exchange earnings at country level have stabilised and increased due to improved performance of agricultural commodity related products in regional and international markets
<b>BF Coton</b>	<p>Pas d'évidence à ce sujet. D'une part, les appuis sont trop récents et de portée relative assez limitée que pour avoir des impacts significatifs à ce sujet. D'autre part, le contexte de crise financière profonde dans lequel est plongé la filière coton entre 2005 et 2009 a conduit à une tendance lourde nette ment baissière chute du volume de production de coton de plus de 50% avec des prix (surtout ramenés en FCFA) n'évoluant en moyenne que légèrement à la hausse (du moins jusqu'en mars 2009).</p> <p><i>Source : Mise à jour relative au partenariat Union européenne – Afrique sur le coton, mai 2011. MN 510.</i></p>
<b>I.4.4.3</b>	<p>Evidence that income levels at producer level and within the agricultural sector as a whole have stabilised and increased through:</p> <ul style="list-style-type: none"> <li>▪ The increased competitiveness of the agricultural commodity production</li> <li>▪ A diversification of the sources of income of the agricultural sector through expansion of agricultural commodity value added</li> <li>▪ Higher export earnings</li> </ul>
<b>Cotton</b>	<p>Le rapport ROM constate par contre que le projet, dans sa totalité et mis à part le volet "coton biologique", n'envisage qu'insuffisamment les alternatives à la filière coton, qui au niveau macroéconomique est génératrice de pertes. Il estime, à l'exemple du volet "coton biologique", que la bonne voie est de s'intéresser à d'autres cultures complémentaires, voyant ainsi la production agricole dans son intégralité en évitant de considérer le coton comme activité isolé des autres composantes d'une exploitation agricole". Il estime également que c'est seulement par cette approche qu'une différenciation de la production agricole, qui résultera dans une spécialisation des agriculteurs selon leurs aptitudes et en fonction de leurs</p>

	<p>équipements et disponibilités de terres aptes à la culture de coton, peut être entamée (BCS, § 4.2).</p> <p>Plus globalement, le rapport ROM estime que l'impact de la filière sur la pauvreté ne peut être décrit que comme négatif, c'est à dire qu'elle constitue une trappe de pauvreté pour les paysans vulnérables, insuffisamment équipés pour affronter les complexités de la culture du coton. La pratique de sa culture a tendance à endetter les producteurs qui ne se trouvent pas en mesure de produire des quantités suffisantes (de 1.500 kg de coton graine selon AFD). Cet aspect n'est pas suffisamment pris en compte par le projet, qui souffre du fait de ne pas accepter que la culture du coton s'adresse aux producteurs les plus performants. Sans une mise à l'écart des producteurs faibles, l'appui à la filière coton risque d'accroître la pauvreté des campagnes par endettement (BCS, §7.3). <i>Source: ROM/BCS</i></p>
<b>CI cotton</b>	<p>Non (de manière générale). Bien que l'objectif spécifique initial est l'augmentation du revenu des exploitations agricoles par l'amélioration du fonctionnement des filières d'exportation ou de substitution aux importations, le Stabex a contribué au sauvetage du secteur coton et des petits opérateurs bénéficiaires mais sans accroissement significatif des revenus des exploitations agricoles, par une prise en charge de la dette des opérateurs défaillants. L'incidence de la pauvreté rurale a significativement progressé dans les zones de production cotonnières depuis 2001. Cela se traduit, autant sur le revenu des producteurs que sur leurs conditions de vie (dégradation ou disparition des services sociaux et économiques). (Source : Eval Stabex 2009).</p>
<b>TZ Cotton</b>	<p>Cotton Board monitors cotton revenue to farmers. Farmers received 60% of the final price. The problem seems to be the productivity but not the price. Input supply and extension services constraint cotton productivity.</p> <p><i>Source: MN 649</i></p>
<b>I.4.4.4</b>	<p>Producer/ farmer organisations and producers views on the effectiveness of increased competitiveness as an income increasing and stabilising tool and on the benefits from improved access to regional and international markets</p>
<b>BF Coton</b>	<p>Le Groupement de producteurs de coton Kopena est bénéficiaire d'un champ-école mis en place par la FAO dans le cadre du Programme Tous ACP. Le champ-école a été installé il y a deux ans et les producteurs du groupement ont reçu une formation sur les bonnes pratiques agricoles en coton. Ils sont satisfaits de ces formations. Avant l'arrivée du champ-école, les producteurs rencontrés cultivaient le coton de manière extensive, large étendue avec peu de rendement. Depuis que le champ école est installé, les producteurs produisent du coton de manière plus intensive.</p> <p>Grâce au changement de pratiques agricoles, le rendement de coton s'est accru : 805 kg/ ha avec les pratiques agricoles paysannes traditionnelles à 1675 kg/ ha avec les bonnes pratiques agricoles enseignées dans le champ-école. Alors que les producteurs n'ont pas témoigné formellement d'une augmentation de leurs revenus, l'accroissement de la productivité est notable. <i>Source : MN 500 Focus Group</i></p>

### EQ 5 on the Commission's support to risk management

To what extent has the Commission's support contributed to protect agricultural commodity producers from income variability through risk management and/or social safety nets?	
<b>J.5.1</b>	<b><i>Commission support has contributed to the development and implementation of risk management and compensatory tools</i></b>
<b>BF Coton</b>	<p>L'appui de la Commission a contribué au développement et à la mise en œuvre de mécanismes de compensation:</p> <ul style="list-style-type: none"> <li>▪ STABEX: coton, gomme arabique et oléagineux. Cependant il n'y a pas d'évidence d'un suivi/évaluation de l'utilisation du STABEX</li> <li>▪ FLEX: appui budgétaire</li> </ul> <p>Le Programme Tous ACP (Banque mondiale/ARMG) a initié récemment le développement d'un système de gestion des risques pour la filière coton (assurances, climat, etc.)</p>
<b>UG cotton</b>	<p>The EC (together with the WFP for the investment costs) supported the establishment of warehouses combined with a system of tradable delivery receipts and a Commodity Exchange Board. Currently, five warehouses are operational. MAAIF is not committed to develop this system but the Ministry of Trade would be more interested.</p> <p>An attempt was made to put in place a risk management system in the cotton sector, which however did not materialise because of divergences between the Government and the private sector.</p>
<b>I.5.1.1</b>	Evidence that the Commission supported the development of and access to shock management tools at macro-economic level
<b>Cotton</b>	<p>Le PAFFIC contribue à la stratégie de sortie de crise, adoptée par le Gouvernement et l'AICB, qui veut redresser financièrement les sociétés cotonnières et ramener la confiance du système bancaire national et international, prévoyant notamment la recapitalisation des sociétés cotonnières accompagnée de la mise en place de mécanismes de gestion du risque prix, comme le Fonds de lissage (FdL). L'outil FdL ainsi que son premier abondement est sous la responsabilité de l'AFD (France). <i>Source : Allocation signature CF</i></p> <p>L'objectif spécifique n°1 du PARFC « Mener à terme le processus de réforme engagé: conclusion du processus de filialisation et de la privatisation de la CMDT, mise en place des organes de régulation de la filière » prévoit la mise en place d'un dispositif opérationnel permettant une réduction des effets de la volatilité des cours de la fibre sur le revenu du producteur par une contribution à un Fonds de Soutien (CF, annexe 5) et un appui à la conception d'un fonds de lissage (soutien intra-annuel puis inter-annuel des cours de coton) (BCS, §1.2; Monitoring report, p2).</p> <p>Le niveau d'intervention semble donc davantage se situer à un niveau « méso » que « macro » ou « micro ». <i>Source: ROM/BCS, CF</i></p>
<b>I.5.1.2</b>	Evidence that the Commission developed and eased the access to compensatory tools (such as Stabex, FLEX)
<b>BF</b>	<p>Au Burkina Faso, les fonds STABEX ont été utilisés par la Commission européenne pour soutenir, en partie, le secteur agricole et rural, et plus spécifiquement dans la filière coton.</p> <p>Les informations sur l'utilisation des fonds STABEX, qui ont pu être collectées auprès de la Délégation de l'Union européenne et de l'Etat burkinabé (Direction de la coopération), sont données ci-dessous. Il est important de noter que l'information</p>

obtenue sur les fonds Stabex telle qu'obtenues par la Délégation de l'Union européenne au Burkina Faso n'est que partielle. Toutes les informations relatives au fonds Stabex n'ont pas pu être obtenues faute de problèmes d'archivage et de méconnaissance des dossiers Stabex par le staff actuellement en place au niveau de la Délégation.

Année 1999 (montant temporaire, en cours) :

Convention de transfert Stabex Haricots – transfert/2/99/BK : 677 914 EUR. Il n'y a aucune indication que ces fonds ont été dépensés pour soutenir la filière haricots fin des années 90/ début des années 2000.

Etat des transactions effectuées sur le STABEX - Année 2006 :

- 1) Bénéficiaire : Union Nationale des Producteurs de coton (UNPCB)/ Société de fibres et textiles (SOFITEX) ; nature de l'intervention : Construction d'infrastructures (coton); montant au 6 avril 2006 : 157 M FCFA
- 2) Bénéficiaire : CNCA/ Société de fibres et textiles (SOFITEX) ; nature de l'intervention : apurement de dettes des groupements de producteurs de coton au 6 avril 2006 : 325 M FCFA
- 3) Bénéficiaire : Société de fibres et textiles (SOFITEX) ; nature de l'intervention : formation des correspondants coton : montant au 15/12/2006 : 50,4 M FCFA

Liste des actions non clôturées au 31/07/2011

- 1) SOFITEX/ UNPCB : Construction d'infrastructures de stockage et d'intérêt collectif pour les groupements et les Unions de producteurs de coton – engagement : 750 M FCFA (clôturé)
- 2) CNRST/INERA/FARAKOBA : production de semences de base d'oléagineux – engagement 12 M FCFA
- 3) CIDR : Phase d'autonomisation du réseau des Caisses villageoises d'épargne et de crédit de la Sissili et du Ziro – engagement : 243 709 000 FCFA (clôturé)
- 4) SOFITEX : formation des correspondants coton de la SOFITEX et typologie des exploitations agricoles en zone cotonnière – engagement 200 M FCFA (en apurement)
- 5) BOA/ APEGA: mise en place d'un fonds de garantie pour faciliter les exportations de gomme arabique – engagement : 10 M FCFA (clôturé)
- 6) BOA/ Conseils des oléagineux : mise en place d'un fonds de garantie pour faciliter les exportations de gomme arabique – engagement : 125 M FCFA (non clôturé)
- 7) Promotion gomme arabique : projet de promotion de la gomme arabique – paiement : 35 M FCFA (clôturé)
- 8) CNCA/ SOFITEX : Apurement partiel des dettes des groupements villageois (filère coton) – paiement : 325 M FCFA (clôturé)
- 9) HORUS : Etudes secteur coton : 6 M FCFA (clôturé)
- 10) URCPSO : entre la Fédération des caisses populaires du Burkina Faso et le MEF sur le redressement de l'URCPSO – pas de paiement car le rapport d'audit manque
- 11) Audit financier des fonds STABEX des 7<sup>ie</sup> et 8<sup>ie</sup> FED : paiement de 53.4 M FCFA (clôturé)
- 12) Mission d'appui pour l'utilisation financière des fonds STABEX au Burkina Faso (7<sup>ie</sup> et 8<sup>ie</sup> FED) : engagement : 28,2 M FCFA (situation finale non disponible, à fournir par DG COOP).

Au 31 juillet 2007, sur un montant total engagé de 2 milliards FCFA engagés (soit environ 3 M EUR), 1,7 milliards FCFA ont été dépensés (soit environ 2,6 M EUR). Selon le bilan arrêté à fin 2007, les fonds STABEX dépensés dans le secteur agricole ont été :

- d'environ 1.3 milliards FCFA (environ 1.8 M EUR) pour le secteur du coton



	<p>(principalement pour : infrastructures de stockage et d'intérêt collectif, formation, apurement de dettes, études) ;</p> <ul style="list-style-type: none"> <li>▪ d'environ 45 M FCFA (environ 65 000 EUR) pour le secteur de la gomme arabique (mise en place d'un fonds de garantie pour faciliter les exportations et promotion de la gomme arabique) ;</li> <li>▪ d'environ 14 M FCFA (environ 21 000 EUR) pour le secteur des oléagineux (mise en place d'un fonds de garantie pour faciliter les exportations et production de semences de base).</li> </ul> <p>Par ailleurs, il apparait que sur la période 2008-2010 des ordonnancements dans le cadre des cadres d'obligations mutuelles STABEX été programmés au niveau de la DG Coopération du Ministère de l'Economie et des Finances :</p> <ul style="list-style-type: none"> <li>▪ 2008 : un montant de 1,4 milliards FCFA ;</li> <li>▪ 2009 : un montant de 179 M FCFA ;</li> <li>▪ 2010 : un montant de 600 M FCFA.</li> </ul> <p>En ce qui concerne le FLEX, le montant alloué (9,42 millions €), établi à partir des exportations de 2007-2008, a été versé sous forme d'appui budgétaire à l'Etat burkinabé.</p> <p><i>Sources : Ministère de l'Economie et des Finances, Direction de la Coopération et Délégation de l'Union Européenne au Burkina Faso, 2011 ; Etat des transactions effectuées sur le Stabex, année 2006; COM STABEX 1994-1995, Liste des actions non clôturées au 31/07/2007 ; AIDCO-C7-Comptabilité administrative Stabex Haricots 1999, 2000</i></p>
<b>Cotton</b>	<p>Par le passé, la CE a largement participé au développement de la filière coton dans le cadre du mécanisme de stabilisation des exportations "STABEX", à travers des appuis directs à la SOFITEX et à l'UNPCB ainsi qu'aux groupements de producteurs de coton. La construction d'infrastructures villageoises et la réhabilitation des routes nationales RN1 et RN4 utilisées pour le transport du coton, en sont des exemples</p> <p><i>Source : Allocation signature CF</i></p>
<b>I.5.1.3</b>	Evidence that the shock management and/or compensatory tools developed by the Commission added value compared to already existing tools
<b>Cotton</b>	<p>Le PAFFIC contribue à la stratégie de sortie de crise, adoptée par le Gouvernement et l'PAICB, qui veut redresser financièrement les sociétés cotonnières et ramener la confiance du système bancaire national et international, prévoyant notamment la recapitalisation des sociétés cotonnières accompagnée de la mise en place de mécanismes de gestion du risque prix, comme le Fonds de lissage (FdL). L'outil FdL ainsi que son premier abondement est sous la responsabilité de l'AFD (France). La CE a ainsi apporté un appui indirect au FdL, outil novateur de gestion du risque prix. <i>Source : Allocation signature CF</i></p> <p>L'objectif spécifique n°1 du PARFC « Mener à terme le processus de réforme engagé: conclusion du processus de filialisation et de la privatisation de la CMDT, mise en place des organes de régulation de la filière » prévoit la mise en place d'un dispositif opérationnel permettant une réduction des effets de la volatilité des cours de la fibre sur le revenu du producteur par une contribution à un Fonds de Soutien (CF, annexe 5) et un appui à la conception d'un fonds de lissage (soutien intra-annuel puis inter-annuel des cours de coton) (BCS, §1.2; Monitoring report, p2).</p> <p><i>Source: ROM/BCS, CF</i></p>
<b>UG cotton</b>	<p>There are in Uganda a very large number of small farmers and a few big operators/exporters. Middlemen (significant number) are the link between farmers and big operators. Prices of agricultural goods vary very much during the year with their lowest level during the harvest season. The idea was to establish warehouses providing</p>

	<p>farmers with storage facilities well equipped which cannot be installed at the household level to maintain the quality of the products, to sort them according to quality standards, to make packaging, etc. in order to improve transparency and efficiency.</p> <p>In 2004, the EC financed a large feasibility study. A law regulating the system was adopted in 2005/06. In 2005, the EU adopted the recommendations of the feasibility study: warehouses + commodity exchange. The project should have its two components operational after 3 years. The EU committed €4 million: €1 million for international expertise (technical assistance) and €3 million to build 10 warehouses and support the establishment of the Uganda Commodity Exchange.</p> <p>To date (after 4 years): 4 fully operational warehouses (against the planned number of 10). One bank is providing credit to farmers against guarantee by warehouse receipts. The World Food Programme buys from the warehouse. Sites identified for additional warehouses. Assumption: the private sector would invest in establishing warehouses.</p> <p>Commodity exchange (transparent system): the receipts could be traded. But a precondition is that warehouses network is completed. It also implies a confidence building process. It is not currently fully operational.</p> <p>Interest rate of credit against guarantee by warehouse receipts: 2% per month. It is a high level of interest but can be compensated by the inter-annual price fluctuations. To the interest rate one must add the warehouses charges. It is not sure that the operation is beneficial.</p> <p>Three main products are stored: maize, beans, paddy rice, which are staple foods grown throughout the country. Are also considered sorgho and millet, and possibly cotton and coffee.</p> <p>(Source: MN 302)</p>																											
<b>UG cotton</b>	Warehouses and risk management for coffee and cotton were financed by the Common Fund for Commodities. Coffee is part of the Commodity Exchange Board. At trade level there is no major financing problems; therefore coffee is not an active player of the warehouse system. (Source: MN303)																											
<b>I.5.1.4</b>	Evidence that agricultural commodity strategies supported by Commission interventions addressed risk management																											
<b>ACP-ACP</b>	Under the All ACP programme, the World Bank (risk management team) has implemented so far the following activities (update: 30 June 2011).																											
	<table border="1"> <thead> <tr> <th>AAACP No</th> <th>Title</th> <th>Status</th> </tr> </thead> <tbody> <tr> <td colspan="3"><b>PACIFIC REGION</b></td> </tr> <tr> <td>1.PAC.E 01</td> <td>Risk management assessment for Fruit &amp; Vegetable sector</td> <td>Completed</td> </tr> <tr> <td colspan="3"><b>CARIBBEAN REGION</b></td> </tr> <tr> <td>1.CAR.E 01</td> <td>Policy support on responses to food price volatility</td> <td>Completed</td> </tr> <tr> <td>1.CAR.E 02</td> <td>Pre-feasibility study for developing weather risk management strategy for agriculture</td> <td>Finalizing</td> </tr> <tr> <td>1.CAR.E 03</td> <td>Price risk management for the coffee sector as part of WB's promotion of coffee markets</td> <td>Completed</td> </tr> <tr> <td>1.CAR.E 04</td> <td>Pre-feasibility study for developing market based agr. risk management instr.</td> <td>Finalizing</td> </tr> <tr> <td>1.CAR.E</td> <td>Capacity Transfer to the region</td> <td>Ongoing</td> </tr> </tbody> </table>	AAACP No	Title	Status	<b>PACIFIC REGION</b>			1.PAC.E 01	Risk management assessment for Fruit & Vegetable sector	Completed	<b>CARIBBEAN REGION</b>			1.CAR.E 01	Policy support on responses to food price volatility	Completed	1.CAR.E 02	Pre-feasibility study for developing weather risk management strategy for agriculture	Finalizing	1.CAR.E 03	Price risk management for the coffee sector as part of WB's promotion of coffee markets	Completed	1.CAR.E 04	Pre-feasibility study for developing market based agr. risk management instr.	Finalizing	1.CAR.E	Capacity Transfer to the region	Ongoing
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05		
<b>CENTRAL AFRICAN REGION</b>		
1.CEN.E 01	Supply Chain Risk Assessment for cocoa & coffee	Completed
<b>WEST AFRICAN REGION</b>		
1.WST.E 01	Supply Chain Risk Assessment	Finalizing
1.WST.E 02	Weather Risk Management	Ongoing
1.WST.E 04	Commodity Price Risk Management	Ongoing
1.WST.E 07	Capacity Transfer to the Region	Ongoing
<b>EAST &amp; SOUTHERN AFRICAN REGION</b>		
1.ESA.E 01	Supply chain risk assessment	Finalizing
1.ESA.E 02	Weather Risk Management	Ongoing
1.ESA.E 04	Commodity Price Risk Management	Ongoing
1.ESA.E 07	Capacity Transfer to the Region	Finalizing
<b>CROSS-REGIONAL</b>		
1.ACP.E 01	Training and Education on Agricultural Risk management	Completed
1.ACP.E 02	Cotton Market Research and Policy Dialogue	Completed
<p>Available details of activities related to cotton are provided below.</p> <p>REGIONAL - Cotton price risk management. WB-ARMT working in partnership with the International Cotton Advisory Committee (ICAC) and the African Cotton Association (ACA) delivered training to over fifty attendees from the East African cotton sector at a three-day training event held in Mombasa, Kenya in June 2011. The training was directed at cotton traders and ginners and aimed to provide them with insight into the risk of unmanaged price risk exposure, the means of monitoring such exposure, and the opportunities and techniques for mitigating such exposure through the use of physical contacts and financial instruments. The event was well attended primarily by people actively involved in the commercial cotton trade. Feedback received from the attendees was very positive with attendees appearing to learn greatly from the event and appearing to be eager to take the lessons learned back to their enterprises.</p> <p><u>Activity 1.ACP.E01. Training and Education on Agricultural Risk Management</u> WB-ARMT has developed a capacity building strategy which 1) develops general and specialized training materials which can be delivered using web-based platforms and in person, 2) disseminates the materials through partnerships with the World Bank Institute and regional training organizations, 3) supports external organizations interested in making use of the materials for their own capacity building programs, 4) provides on-going, as-needed, technical support to clients related to risk assessment</p>		

and development of risk management programs.

WB-ARMT has been pursuing its training strategy that was developed end FY2009. The objective of this strategy and this activity - which is a component of multiple regional work plans - is to finalize, deliver and distribute modular risk management courses to ACP clients through both distance learning and face to face methods. This work has continued well during the past six months. The main courses (six of them) are now finalized. The online platform is also finalized and being used on a daily basis by interested parties wishing to access the materials, there are currently over 300 registered users and any interested party is able to join by self registering themselves online. This is a significant change as previously only invited parties could access the site, now anyone is free to access and use the site. CD ROMs have now been mass-produced for the six finalized courses and have been distributed at relevant locations and to relevant parties, and sent out based upon requests received. To date approximately 1,300 copies of the six finalized courses have been distributed to a variety of stakeholders ranging from coffee producers, to insurance companies, to sustainability programs, to academics, to UN organizations.

Work is continuing on finalization of four more courses, namely finalization of the cotton price risk management course, translation of the Weather Index Insurance course (from English to French), finalization of the Weather Index Insurance Spanish course and finalization of the cocoa price risk management course. The English language cotton price risk management course is now online and work is required to update it (following successful delivery of the first face to face delivery of this course in June 2011), format the course and transfer it to CD ROM. this will be undertaken over the next three months. The French language cotton price risk management course had been delayed due to delays in delivery of the face to face training in Burkina Faso. Following the delivery the course will be updated, finalized and put online. The Weather Index Insurance training course is currently being translated into French, a firm has been hired and is currently completing the work. Once the translation is completed the online course will be formatted and then transferred to CD ROM. The cocoa price risk management course (English version) is now being finalized after its first successful delivery in Nigeria in May. The course will be put online. The French version of the course that was planned will no longer proceed following the decision by the World Cocoa Foundation (our partner in delivering the courses in West Africa) to proceed with only English language training events. In addition to these three courses the Spanish Weather Index Insurance training course is having its theme / presentation updated and will also shortly be put onto CD ROM.

Cotton Price Risk Management Course for W. Africa and Cotton Price Risk Management for E. Africa. The course was delivered to the East African cotton sector in June 2011 at a three-day event held in Kenya. This course will now be updated online and transferred to CD ROM once completed. The training event planned for West Africa (Burkina Faso) in 1H 2011 was delayed due to unrest in Burkina Faso and is now planned for August 2011. Following this training the French Cotton Price Risk Management course will be put online.

#### Activity 1.ACP.E02 – Cotton Market Research.

In-country and regional level dissemination will be one of the main objectives of the third phase of the study. In parallel to sending the final report to the various country authorities, as well as to regional economic organizations (WAEMU, ECOWAS,

	<p>SADC) and donor partners, in-country and sub-regional workshops will be organized to present and discuss the findings and stimulate exchanges on ongoing and future reform programs. The workshops will be organized around key themes of the report. This activity has been completed.</p> <p><i>Source: WB- Agricultural Risk Management Team (WB-ARMT), 6 Monthly progress report of the All ACP programme for the period from January to June 2011 and Programme operational activity report, 25 July 2011</i></p>
<b>Cotton</b>	<p>Le PAFFIC contribue à la stratégie de sortie de crise, adoptée par le Gouvernement et l'AICB, qui veut redresser financièrement les sociétés cotonnières et ramener la confiance du système bancaire national et international, prévoyant notamment la recapitalisation des sociétés cotonnières accompagnée de la mise en place de mécanismes de gestion du risque prix, comme le Fonds de lissage (FdL). L'outil FdL ainsi que son premier abondement est sous la responsabilité de l'AFD (France). La CE a ainsi apporté un appui indirect au FdL, outil novateur de gestion du risque prix.</p> <p><i>Source : Allocation signature CF</i></p> <p>La mise en place du FdL fait partie d'une des 4 conditions spécifiques de déboursement de la 1<sup>ère</sup> tranche fixe de l'ABS PAFFIC : « Adoption par le Gouvernement et par l'AICB de la stratégie de sortie de crise »</p> <p>En ce qui concerne la mise en œuvre du FdL, la situation d'avancement a été jugée satisfaisante dans le cadre du décaissement de la tranche 1. :</p> <p>1. Formalisation des accords de financement. La CF Etat – AFD concernant un prêt concessionnel de 15 M€ destinés à alimenter le FdL (NB. A ces 15 M€ sous forme de prêt très concessionnel contracyclique (PTCC) s'ajouteront 3 M€ financés sous forme de don par l'AFD au nom de l'UNPCB), l'accord de rétrocession entre l'Etat et le Fonds Burkinabé de Développement Economique et Social (FBDES), et l'accord de rétrocession entre le FBDES et l'AFdL ont été signés le 16 octobre 2008</p> <p>2. Mise en œuvre du dispositif opérationnel. L'association du fonds de lissage (AFdL) a été créée le 4 avril 2008, et le règlement du FdL a été adopté le même jour par son AG constitutive. L'accord interprofessionnel a été amendé pour intégrer l'AFdL. L'AG, le CA et le bureau exécutif ont été établis.</p> <p>La banque de gestion du FdL a été sélectionnée et les dernières négociations ont été finalisées. Il s'agit de la Bank of Africa (BOA). Le contrat de gestion restait à être signé entre la BOA et l'AFdL.</p> <p>Le droit de tirage des sociétés cotonnières sur le FdL au titre de la campagne déficitaire 2006/07 a été arrêté au montant total de 8.948.272.000 FCFA (13.641.553 EUR). Pour la campagne 2007/08, un abondement du FdL par les sociétés cotonnières à hauteur d'environ 4 milliards FCFA (6.000.000 EUR) est espéré. <i>Source : Note dossier CF-PAFFIC, 1<sup>ère</sup> tranche</i></p> <p>Le rapport FRPC6 (mars 2010) indique que l'AFdL a passé un contrat de mandat de gestion avec la BOA qui a notamment pour tâche, le calcul en début de campagne du prix de tendance FOB et du prix plancher ; d'établir en fin de campagne les résultats en dégageant le montant des soutiens ou marge brute dus et ainsi que le montant éventuel du prix d'achat complémentaire</p> <p>Après 3 années de fonctionnement (campagnes 2006/07, 07/08 et 08/09) le solde du FdL était de 1,815 milliards FCFA (2,77 millions €). <i>Source : rapport FRPC6</i></p> <p>L'objectif spécifique n°1 du PARFC « Mener à terme le processus de réforme engagé: conclusion du processus de filialisation et de la privatisation de la CMDT, mise en place des organes de régulation de la filière » prévoit la mise en place d'un dispositif</p>

	opérationnel permettant une réduction des effets de la volatilité des cours de la fibre sur le revenu du producteur par une contribution à un Fonds de Soutien (CF, annexe 5) et un appui à la conception d'un fonds de lissage (soutien intra-annuel puis inter-annuel des cours de coton) ( <i>BCS</i> , §1.2; <i>Monitoring report</i> , p2).
<b>UG cotton</b>	Yes but not implemented. Indeed, besides the warehouses system, an attempt was made to put in place a risk management system in the cotton sector, which however did not materialise because of divergences between the Government and the private sector.
<b>UG cotton</b>	Cotton is cultivated in the North East of Uganda. But it is not a focus for the government and the sector has declined over the last ten years. The EU had tried to do something in 2009/2010. It proposed a hedge fund to prevent volatility but gave up because there is not a common view between government and private sector. (source: MN 301)
<b>BF Coton</b>	Notons que, liée à l'intervention PAFFIC de la DUE, la stratégie commune de sortie de crise de la filière coton adoptée en 2008 comporte également un axe dédié au FdL. Cependant, l'appui du PAFFIC a été ponctuel (terminé en 2010) alors que le FdL soutenu par l'AFD est toujours en fonctionnement depuis sa création en 2007 et a fait l'objet d'une révision récente de son mécanisme suite à la spectaculaire envolée des cours du coton en 2010-début 2011. <i>Source : MN 512, PAFFIC, Stratégie commune de sortie de crise de la filière coton, mars 2008.</i>
<b>BF ACP-ACP Coton</b>	Le financement de l'UE à travers le programme Tous ACP a permis de lancer l'initiative de support de la Banque mondiale – ARMG à la gestion des risques climatiques. Au départ, les personnes impliquées étaient dubitatives, mais les ateliers faisant et les informations données ont fait évoluer les opinions. La phase pilote du projet de la gestion des risques se déroule au Burkina Faso. Elle a débuté par un atelier organisé à Ouagadougou fin 2009, qui a débouché sur un plan d'action. La gestion des risques dans le secteur du coton est une action de long terme. Le financement du programme tous ACP se termine fin 2011. Le plus important est que les acteurs du Burkina Faso (producteurs, sociétés d'assurance, etc.) ont compris l'importance de la question. L'étude de faisabilité en cours et les ateliers ont informé et ont permis de former des capacités locales en matière de gestion des risques. Mais il faudra une seconde phase de support pour tout fédérer et mettre la gestion des risques au cœur des activités. Il y aurait alors un soutien financier de la Banque mondiale pour poursuivre les efforts fournis à ce jour. La phase pilote devrait fournir les données de base pour lancer les activités. Mais il y a des facteurs externes qui jouent, comme les bons prix du coton actuellement. <i>Source : MN 599</i>
<b>I.5.1.5</b>	Evidence that the Commission supported interventions with a view to improving producers' access to finance (credit)
<b>CI cotton</b>	Seule évidence dans le secteur cotonnier : sans un environnement « apaisé », une relance significative de la production devrait permettre d'aller progressivement vers une optimisation des capacités d'usinage et d'atténuer les problèmes de recouvrement des crédits. (Source : Eval Stabex 2009).
<b>I.5.1.6</b>	Evidence that the Commission supported interventions related to risk management at micro-level in order to better cope with agricultural commodity price variability
<b>Cotton</b>	Le PAFFIC contribue à la stratégie de sortie de crise, adoptée par le Gouvernement et l'AICB, qui veut redresser financièrement les sociétés cotonnières et ramener la confiance du système bancaire national et international, prévoyant notamment la

	<p>recapitalisation des sociétés cotonnières accompagnée de la mise en place de mécanismes de gestion du risque prix, comme le Fonds de lissage (FdL). L'outil FdL ainsi que son premier abondement est sous la responsabilité de l'AFD (France). La CE a ainsi apporté un appui indirect au FdL, outil novateur de gestion du risque prix. L'appui se situe plutôt à un niveau « méso » (la filière coton) que micro. <i>Source: Allocation signature CF</i></p> <p>L'objectif spécifique n°1 de l'intervention « Mener à terme le processus de réforme engagé: conclusion du processus de filialisation et de la privatisation de la CMDT, mise en place des organes de régulation de la filière » prévoit la mise en place d'un dispositif opérationnel permettant une réduction des effets de la volatilité des cours de la fibre sur le revenu du producteur par une contribution à un Fonds de Soutien (CF, annexe 5) et un appui à la conception d'un fonds de lissage (soutien intra-annuel puis inter-annuel des cours de coton) (BCS, §1.2; Monitoring report, p2) Le niveau d'intervention semble donc davantage se situer à un niveau « méso » que « macro » ou « micro ». <i>Source: ROM/BCS, CF</i></p>
<b>TZ Cotton</b>	<p>Price mechanisms: no. Nothing to stabilise. The Government intervened once in 2008 to pay producers due to the economic crisis. Because the price was so low the GoT also intervened in 2009 and set the price higher (360 TSh was market price, plus 80TSh subsidy so final price of Tsh440 giving a total subsidy of 20 M tsh. Normally the GoT, the Cotton Board, and the associations (TAT) sit down at the beginning of the season to set the price and then ginners compete so the price can be actually much higher for producers. They look to the world market and cost production and define the price (600 tsh/ kg cotton seed). Maximum last year: 1100 tsh/ kg cotton seed. With contract farming, they do not fix the price at the moment of doing the contract but they have a continuous mechanism of price review during the year.</p> <p>Cotton price is not really an issue: TZ has been getting good prices; the problems are more with the tempering of the scales (buyers) which does not occur with contract farming.</p> <p>Marketing system goes through agents on the field. We want to change that way: farmers should be sellers; the agent is not needed. Need to link directly the farmer and the industry. If we change that, price will be better for farmers. The price for farmers is directly linked to the world price. <i>Source: MN 649</i></p>
<b>TZ Cotton</b>	<p>In 2009/10 the Government prepared a rescue package in response to the global financial crisis. This was meant to help exporters of agricultural produce who had borrowed funds from the banking system in order to purchase and market the farm produce. In this context, 35 firms engaged in the procurement and marketing of cotton requested assistance (TShs 28 billion) and the Government provided TShs 21 billion. In addition the Government used some of this rescue package to stabilise prices of cotton: Tz farmers received a top-up of TSHs80 per kg on the domestic market price. <i>Source: PER2010</i></p>
<b>I.5.1.7</b>	<p>Evidence that the Commission's support was undertaken in coordination with that of other donors</p>
<b>Cotton</b>	<p>Le PAFFIC contribue à la stratégie de sortie de crise, adoptée par le Gouvernement et l'AICB, qui veut redresser financièrement les sociétés cotonnières et ramener la confiance du système bancaire national et international, prévoyant notamment la recapitalisation des sociétés cotonnières accompagnée de la mise en place de mécanismes de gestion du risque prix, comme le Fonds de lissage (FdL). L'outil FdL ainsi que son premier abondement est sous la responsabilité de l'AFD (France). La CE a ainsi apporté un appui indirect au FdL, outil novateur de gestion du risque prix.</p>

	<p><i>Source : Allocution signature CF</i></p> <p>L'objectif 1 du PARFC prévoit la mise en place d'un dispositif opérationnel permettant une réduction des effets de la volatilité des cours de la fibre sur le revenu du producteur par une contribution à un Fonds de Soutien (CF, annexe 5) et un appui à la conception d'un fonds de lissage. L'appui à la conception du fonds de lissage recherche une coordination avec une opération pilote sur la mise au point et le développement d'un fonds de lissage, financée par l'AFD, qui serait menée au Burkina Faso et au Sénégal et à laquelle le Mali n'était pas encore associé (CF, ANNEXE 5). <i>Source: CF</i></p>
<b>BF Coton</b>	<p>Le Secrétariat permanent de la filière coton libéralisée (SPCL) déplore que l'AFD soit restée seule pour soutenir le Fonds de lissage. D'après lui, si la DUE avait voulu fédérer ses efforts avec d'autres partenaires, elle aurait dû participer au Fonds de Lissage, vu l'importance qu'il revêt pour la filière et pour les producteurs. <i>Source : MN 523</i></p>
<b>I.5.1.8</b>	<p>Evidence that the tools developed remain used and that their financial sustainability is ensured without further Commission support</p>
<b>Cotton</b>	<p>Le FdL, mis au point par l'AFD et auquel la CE a indirectement collaboré, est sous la responsabilité de l'AICB et est toujours fonctionnel en 2010. La mission terrain devrait permettre une meilleure appréciation de la viabilité de l'outil FdL.</p>
<b>J.5.2</b>	<p><b><i>Commission's support to agricultural commodities in CDDCs has included safety net issues in complement to commodity chain issues</i></b></p>
<b>I.5.2.1</b>	<p>Evidence in strategy and programming documents that the support to specific agricultural commodities aimed at alleviating poverty</p>
<b>Cotton</b>	<p>Le PAFFIC vise à contribuer à la lutte contre la pauvreté en appuyant la filière coton, important vecteur de croissance économique en milieu rural. La poursuite satisfaisante de la mise en œuvre du CSLP et de son processus de suivi (SRP), est une des conditions générales de l'octroi de la 1<sup>ère</sup> tranche dans le cadre de l'ABS du PAFFIC. Par contre, la programmation du 10<sup>ème</sup> FED ne prévoit plus d'appui spécifique à la filière coton. Elle établit une stratégie de coopération focalisée sur l'appui budgétaire pour la croissance et la réduction de la pauvreté et deux secteurs de concentration : les infrastructures de base et la bonne gouvernance. <i>Source : Allocution signature CF</i></p> <p>La CF indique que l'intervention concertée de la CE et de l'AFD vise à appuyer la restructuration du secteur coton et la mise en œuvre du Cadre Stratégique de Développement du Secteur Coton (CSDSC) afin de favoriser un développement économique durable et équitable dans les zones cotonnières. Cela passe par une amélioration des revenus des producteurs de la zone cotonnière, mais aussi par la sécurisation et la diversification de ces revenus (CF, annexe 2, p3).</p> <p>Cependant, plus globalement, le rapport ROM estime que l'impact de la filière sur la pauvreté ne peut être décrit que comme négatif, c'est à dire qu'elle constitue une trappe de pauvreté pour les paysans vulnérables, insuffisamment équipés pour affronter les complexités de la culture du coton. La pratique de sa culture a tendance à endetter les producteurs qui ne se trouvent pas en mesure de produire des quantités suffisantes (de 1.500 kg de coton graine selon AFD). Cet aspect n'est pas suffisamment pris en compte par le projet, qui souffre du fait de ne pas accepter que la culture du coton s'adresse aux producteurs les plus performants. Sans un écartement des producteurs faibles, l'appui à la filière coton risque d'accroître la pauvreté des campagnes par endettement (BCS, §7.3).</p> <p>Le rapport ROM souligne également le fait qu'avec le 10<sup>ème</sup> FED, la CE s'extrait de l'apport au secteur coton du Mali, ne laissant que l'AFD comme acteur européen de poids dans la filière coton. L'AFD prévoit de ne plus agir dans une logique</p>



	principalement sociale, mais de centrer ses activités de support sur les producteurs performants dans une approche "secteur privé". (BCS, §5.1). <i>Source: ROM/BCS, CF</i>
<b>J.5.3</b>	<b><i>Income variability and vulnerability to price fluctuations of producers, sector and countries has declined as a result of improved risk management</i></b>
<b>I.5.3.2</b>	Year-to-year and in-year variations of income levels within the agricultural sector as a whole have been reduced through the use of risk management and compensatory tools
<b>CI Cotton</b>	Non bien que les constats ci-dessous portent sur le revenu de manière générale et non sur les variations annuelles : Secteur coton : Bien que l'objectif spécifique initial est l'augmentation du revenu des exploitations agricoles par l'amélioration du fonctionnement des filières d'exportation ou de substitution aux importations, le Stabex a contribué au sauvetage du secteur coton et des petits opérateurs bénéficiaires mais sans accroissement significatif des revenus des exploitations agricoles, par une prise en charge de la dette des opérateurs défaillants. L'incidence de la pauvreté rurale a significativement progressé dans les zones de production cotonnières depuis 2001. Cela se traduit, autant sur le revenu des producteurs que sur leurs conditions de vie (dégradation ou disparition des services sociaux et économiques). <i>Source : Eval Stabex 2009</i>

### EQ 6 on the Commission's support to diversification

<b>To what extent has Commission support helped producers, the agricultural sector and commodity dependent ACP countries to successfully diversify around traditional products?</b>	
<b>J.6.1</b>	<b><i>The Commission's support has facilitated the analysis of Government's policy choices aiming for diversification and growth</i></b>
<b>I.6.1.1</b>	Evidence that Technical Assistance has been provided to the Government in the area of policy analysis relating to diversification and growth where necessary and in complementarity with that provided by other donors
<b>Cotton</b>	<p>Le Cadre Stratégique de Développement du Secteur Coton (CSDSC, CF annexe 2) prévoit le développement de filières de diversification de production agricole. Peu d'évidence sur cet aspect apparaît dans les documents consultés relatifs au PARFC, à part pour le « coton bio » (voir ci-après). La convention de financement (CF), dans son annexe II déclare: "pour le court et moyen terme, force est de constater qu'il n'existe pas d'alternative à la culture du coton: malgré son caractère peu rémunérateur. ...les producteurs la poursuivent car c'est la seule culture qui bénéficie d'un prix fixé à l'avance et qui garantisse l'accès au crédit agricole et donc aux intrants..". La mission ROM estime que ce constat est correct en identifiant la filière coton comme "peu rémunératrice", mais erroné en impliquant que seule la culture du coton peut permettre l'accès au crédit agricole et donc aux intrants (Monitoring Report, p2).</p> <p>Par ailleurs, elle estime que le projet a été rendu plus pertinent par l'inclusion d'un volet "coton bio" en 2009 (NB. Le soutien à la filière "coton bio" est une activité qui a été décidée pour re-allouer les fonds initialement prévus pour la Mission de Restructuration du Secteur Coton (MRSC) et ne figure donc pas dans la CF initiale). (BCS, §1.3).</p> <p>Selon le ROM, le projet, dans sa totalité, n'envisage qu'insuffisamment les alternatives à la filière coton, qui au niveau macroéconomique est génératrice de pertes. Le volet "coton biologique", par son soutien au projet MOBIOM (Mouvement Biologique Malien), s'est engagé donne une ouverture à d'autres</p>

	<p>cultures complémentaires (notamment le sésame et le Karité), voyant ainsi la production agricole dans son intégralité en évitant de considérer le coton comme activité isolé des autres composantes d'une exploitation agricole". Le rapport ROM estime également que c'est seulement par cette approche qu'une différenciation de la production agricole, qui résultera dans une spécialisation des agriculteurs selon leurs aptitudes et en fonction de leurs équipements et disponibilités de terres aptes à la culture de coton, peut être entamé (BCS, § 4.2). <i>Source: ROM/BCS, CF</i></p>
<b>I.6.1.2</b>	Evidence that specific tools have been developed and continue to be used for supporting strategic choices (e.g. competitiveness evaluations of specific commodity chains)
<b>Cotton</b>	<p>Pas de référence directe aux études chaînes de valeur mais de nombreuses ont été menées dans le secteur agricole : L'étude d'une stratégie sectorielle <b>coton</b> (Italtrend 2006) a permis aux acteurs publics et privés de dégager des priorités et d'orienter l'utilisation des fonds européens. De plus, un document de stratégie sectorielle et un plan d'action ont été élaborés par le ministère de l'Agriculture et deux études (sur fonds STABEX) sont en cours pour examiner la réorganisation du financement des intrants et les modalités de gestion du risque sur les prix. (<i>Source : Rider FA p.4 CI-REH</i>)</p> <p>Pas d'évidence dans les documents consultés, alors que le rapport ROM préconise (i) de n'accorder de l'aide au secteur coton que si celui-ci se concentre sur des producteurs performants ; (2). Identifier et soutenir des voies de financements des intrants pour dynamiser les filières céréalières, notamment le riz ; (iii) sortir de la logique de gestion de la pénurie, se concentrer sur des cultures rentables telles que le riz, avec marchés internes et limitrophes preneurs et rémunérateurs (Monitoring Report, p3). <i>Source: ROM/BCS</i></p>
<b>CI Cotton</b>	<p>Oui. L'évaluation Stabex souligne que globalement l'analyse des problèmes relatifs aux filières a été de qualité voire même très fine, imposant des délais de rédaction des documents de mise en œuvre ou des outils, souvent longs. Un certain perfectionnisme a pris le pas sur l'opérationnel.</p> <p>A titre d'exemple, il existe une multitude d'études, de stratégies ou de projets concernant le secteur cotonnier ivoirien :</p> <ul style="list-style-type: none"> <li>▪ Projet de relance de la culture attelée dans le bassin cotonnier de CI</li> <li>▪ Adoption d'une nouvelle stratégie pour la relance du secteur coton</li> <li>▪ Plan d'action pour la mise en œuvre de la stratégie de relance de la filière coton</li> <li>▪ Elaboration d'une stratégie sectorielle coton : perspectives à moyen et long termes</li> <li>▪ Faisabilité d'une nouvelle organisation du financement de l'approvisionnement en intrants de la filière coton en Côte d'Ivoire</li> <li>▪ Diagnostic des prélèvements obligatoires sur la filière coton et révision du mécanisme de fixation du prix du coton graine</li> </ul> <p>(<i>Source : Eval Stabex 2009</i>)</p>
<b>J.6.2</b>	<b><i>The Commission has encouraged the diversification of sources of livelihoods of traditional agricultural commodity producers through the adoption and implementation of rural growth strategies</i></b>
<b>I.6.2.2</b>	The Commission's rural development strategies and interventions have included considerations for diversification of producers' livelihoods and have addressed international marketing issues
<b>Cotton</b>	An upcoming programme (the Financing Agreement was signed in 2011) will

	support (among other projects) the diversification of the cotton-producing region in Northern Cameroon. The programme will probably start at the end of 2011. <i>Source : MN 409</i>
<b>J.6.3</b>	<b><i>The Commission has facilitated knowledge of and access to support instruments for private sector development</i></b>
<b>I.6.3.1</b>	Evidence of Commission support to private sector development in CDDCs, including via its participation in PSD policy discussion groups
<b>Cotton</b>	Le PAFFIC contribue à la stratégie de sortie de crise, adoptée par le Gouvernement et l'AICB, qui veut redresser financièrement les sociétés cotonnières et ramener la confiance du système bancaire national et international, prévoyant la recapitalisation des sociétés cotonnières accompagnée de la mise en place de mécanismes de gestion du risque prix, comme le Fonds de lissage (FdL). <i>Source : Allocation signature CF</i> "Le PARFC se base sur le "Cadre stratégique du Développement du Secteur Coton", (CSDSC), (CF annexe 2) de l'Etat malien, assorti du plan d'action "Chronogramme Révisé de Reforme du Secteur Coton" (CRPRSC) (CF annexe 1) dont la mise en oeuvre est confié à la "Mission de Restructuration du Secteur Coton" (MRSC). Cette feuille de route de la privatisation et de la libéralisation de la filière coton constitue le document de référence unique tant pour le gouvernement que pour les partenaires techniques et financiers"(BCS, §1.1; Monitoring report, p2) <i>Sources: ROM/BCS, CF</i>
<b>I.6.3.6</b>	Evidence that achievements in terms of facilitation of support instruments for private sector development outlast Commission support
<b>Cotton</b>	Pas d'évidence à ce sujet dans les rapports consultés. Notons que le rapport ROM souligne le fait qu'avec le 10eme FED, la CE s'extrait de l'apport au secteur coton du Mali, ne laissant que l'AFD comme acteur européen de poids dans la filière coton. L'AFD prévoit de ne plus agir dans une logique principalement sociale, mais de centrer ses activités de support sur les producteurs performants dans une approche "secteur privé". (BCS, §5.1). <i>Source: ROM/BCS</i>
<b>J.6.4</b>	<b><i>The income vulnerability of producers, sector and countries has declined as a result of the implementation of diversification strategies</i></b>
<b>BF Coton</b>	On peut noter qu'il y a recherche de diversification des revenus agricoles au sein des exploitations (diversification des spéculations agricoles) à travers les interventions suivantes : <ul style="list-style-type: none"> <li>▪ Programme Tous ACP/ FAO: Bonnes pratiques agricoles/ GIPD</li> <li>▪ ICCO/Helvetas/UNPCB: Programme d'amélioration de la fertilité des sols des exploitations biologiques qui concerne le développement de la filière coton biologique et équitable.</li> </ul> Si les bénéficiaires relatent des effets positifs de ces appuis sur leurs revenus, il n'est pas possible de les quantifier précisément et de les apprécier sur une durée suffisamment longue.
<b>I.6.4.2</b>	Evidence that income levels of producers have stabilised and increased in geographical zones where diversification strategies have been implemented
<b>CI cotton</b>	Bien que l'objectif spécifique initial est l'augmentation du revenu des exploitations agricoles par l'amélioration du fonctionnement des filières d'exportation ou de substitution aux importations, le Stabex a contribué au sauvetage du secteur coton et des petits opérateurs bénéficiaires mais sans accroissement significatif des revenus

	des exploitations agricoles, par une prise en charge de la dette des opérateurs défaillants. L'incidence de la pauvreté rurale a significativement progressé dans les zones de production cotonnières depuis 2001. Cela se traduit, autant sur le revenu des producteurs que sur leurs conditions de vie (dégradation ou disparition des services sociaux et économiques). <i>Source : Eval Stabex 2009</i>
<b>I.6.4.5</b>	Producers views on the effectiveness of diversification as an income stabilising and improvement tool
<b>BF Coton</b>	<p>Pour l'UNPCB, les appuis de la Commission à la diversification sont perçus assez positivement. Il s'agit des appuis suivant qui restent dans le domaine de la diversification agricole :</p> <ul style="list-style-type: none"> <li>▪ Le programme d'amélioration de la fertilité des sols des exploitations biologiques en zone cotonnière (2008-2011): des résultats intéressants repris dans des rapports de monitoring du projet mettent en évidence (i) une diversification des productions bio :en plus du coton, sésame, arachide, hibiscus ; (ii) une amélioration sensible de la teneur en matière organique des sols par l'adoption/amélioration de pratiques culturales; (iii) la marge brute des producteurs est calculée et suivie depuis 3 ans : elle est passée en moyenne de 140 000 à 170 000 FCFA/ha dans le système d'exploitation « coton bio-équitable » et est estimée, en moyenne, supérieure de 25 000 FCFA/ha par rapport à celle obtenue dans le système d'exploitation du « coton conventionnel ». Il faut cependant souligner que le calcul des marges dans le système « coton bio-équitable ne tient pas compte de certains coûts cachés, en particulier les coûts liés aux certifications bio + équitables (ces coûts sont progressivement pris en charge par les producteurs) et à l'encadrement. <i>NB. En termes de diversification agricole sur l'exploitation, un rapport de projet mentionne également : la culture de mucuna (en association avec des céréales : maïs, mil, sorgho) dans le cadre de la rotation des cultures ; la plantation de légumineuses pérennes dans des zones test</i></li> <li>▪ Les bonnes pratiques agricoles (GIPD, champs-écoles..), appuis du volet coton du Programme tous ACP/FAO. Les champs écoles des producteurs (CEP) (1 groupement de 25 producteurs pour un CEP animé par un facilitateur formé parmi les producteurs) semblent bien appréciés par les producteurs en termes (i) d'introduction de nouvelles variétés dans la rotation (ex. mucuna), (ii) d'effets sur les rendements et les revenus, (iii) de renforcement de la capacité de décision économique des producteurs participant au CEP.</li> </ul> <p><i>Source : MN 510, Rapport narratif du programme d'amélioration de la fertilité des sols dans les exploitations biologiques de la zone cotonnière, année 2009</i></p>

### EQ 7 on Commission support in the wider context of EC policies

To what extent did the implementation of other relevant European Community policies strengthen or weaken the pursuit of the COM's objectives ?

<b>J.7.3</b>	<i>Commission' support to agricultural commodities has taken into account Commission transversal policies regarding gender, environment, protection of human rights, corporate responsibility (including child labour and other social rights) and HIV/AIDS in CDDCs</i>
<b>BF Coton</b>	La prise en compte des questions genre/ environnement: est explicite dans le secteur coton biologique (environnement/ genre) à travers l'intervention ICCO/Helvetas/UNPCB, « Amélioration de la fertilité des sols des exploitations biologiques ». Cette prise en compte n'apparaît pas dans les autres interventions.

<b>I.7.3.2</b>	Evidence of inclusion of specific measures targeting these cross-cutting issues in interventions supporting agricultural commodities
<b>Cotton</b>	<p>Le PAFFIC permet de financer la participation des producteurs à la recapitalisation des sociétés cotonnières, ce qui leur permet d'être impliqués dans la gestion des sociétés cotonnières. <i>Source : Allocation signature CF</i></p> <p>La CF du PARFC (annexe II, § 2.10) indique que « le Mali est l'un des premiers et rares pays à avoir inscrit la qualité et la protection de la nature/environnement dans sa constitution (préambule et article 15). De façon plus spécifique la durabilité environnementale de la filière coton est une dimension importante du PASE/AFD et sera au centre du PASE II (<b>cadre logique, CF, annexe 3b</b>) instruit avec le soutien de l'AFD, parallèlement au programme de la CE. Ce programme implique des formations et activités concernant notamment la durabilité de la production et la préservation des sols».</p> <p>La CF (annexe II, §2.10) évoque également la durabilité institutionnelle : « L'aboutissement du processus de réforme en cours (filialisation / privatisation) permettra de préserver la filière du risque d'effondrement.</p> <p>L'alphabétisation fonctionnelle des membres des organisations de producteurs est un préalable pour le succès de la réforme, le rôle des producteurs dans le processus et le bon fonctionnement des structures faitières et de la gouvernance de la filière. Les formations sont mises en œuvre à la demande et assurées par des structures privées (associations de formateurs) ou par des ONG. Le montage institutionnel privilégiera dès lors l'adoption de partenariats et de modes d'interventions qui auront cours après le financement communautaire. Le comité de pilotage (dans lequel l'ON et la DCE sont représentés) sera garant de la bonne transition des actions d'alphabétisation vers les actions d'encadrement technique».</p> <p>La prise en compte de l'égalité du genre est évoquée dans la CF (annexe II, §2.10)</p> <p>Au niveau de la mise en œuvre de la composante alphabétisation où il est prévu qu'un nombre minimum de femmes devra bénéficier de la formation et des programmes d'alphabétisation NB. estimation : 17 % des membres des CPC (Coopératives de Production de Coton) sont des femmes. Le rapport ROM précise que les aspects du genre ne sont applicables qu'au volet alphabétisation, où il est prescrit qu'un nombre minimum de femmes soient incluses dans les formations. Les formations ont comme but final l'intégration des producteurs dans les structures d'autogestion (associations des producteurs coton) de la filière (BCS, §7.1).</p> <p>Au niveau des aspects environnementaux, le rapport ROM rappelle que, plus que toute autre fibre, le coton pose certains problèmes environnementaux (charge en pesticides et risque d'érosion en absence de techniques culturales pour pallier à ces effets). Il estime que l'impact en terme de protection des producteurs lors de l'épandage des pesticides n'est pas garanti dans le contexte actuel de formation des agriculteurs. A ce titre le volet « coton biologique » semble être une bonne voie (BCS §1.3 et 4.2). En outre, il estime que la graine de coton, qui constitue l'oléagineux le plus important du Mali, pose des problèmes de contamination de l'huile de coton (huile comestible) avec des pesticides. En troisième lieu, il mentionne que les tourteaux des graines de coton, importante source d'aliment bétail, est elle aussi sujette à des contaminations avec pesticides, mal contrôlés à l'heure actuelle. Le rapport ROM recommande, dans toute activité future, l'aspect "contrôle de résidus" soit inclus dans les activités de soutien à la filière coton (BCS, §7.2).</p> <p>En matière de bonne gouvernance/droits de l'homme, le rapport ROM indique qu'au Mali, la filière coton, même dans son état actuel de transition, évolue dans une logique postcoloniale et paternaliste, hautement interventionniste. Le rapport ROM émet le</p>

	souhait que la privatisation permette au monde paysan d'introduire plus de transparence dans les procédures d'administration (BCS, § 7.4). <i>Source: ROM/BCS, CF</i>
<b>BF coton</b>	Le programme d'amélioration de la fertilité des sols des exploitations biologiques en zone cotonnière (2008-2011, ligne FOOD) mis en œuvre par ICCO, en collaboration avec Helvetas et l'UNPCB, cible les femmes et les petits producteurs qui sont en dehors du système coton conventionnel. Il prend également en compte la durabilité environnementale à travers l'amélioration de la fertilité des sols, le recours à une fertilisation et une lutte phytosanitaire non chimiques ? <i>Source : MN 510</i>
<b>I.7.3.3</b>	Evidence that commodity chain strategies have integrated corporate responsibility issues, including child labour and other social rights
<b>Cotton</b>	Le PAFFIC permet de financer la participation des producteurs à la recapitalisation des sociétés cotonnières, ce qui leur permet d'être impliqués dans la gestion des sociétés cotonnières. <i>Source : Allocution signature CF</i> Le volet «coton biologique» financé par le PARFC et évoqué dans le rapport ROM semble aller dans ce sens (BCS §1.3 et 4.2). <i>Source: ROM/BCS, CF</i>
<b>BF coton</b>	Le programme d'amélioration de la fertilité des sols des exploitations biologiques en zone cotonnière (2008-2011, ligne FOOD) mis en œuvre par ICCO, en collaboration avec Helvetas et l'UNPCB est basé sur le coton bio et équitable qui s'accompagne d'un système de certification intégrant des critères de responsabilité sociale. <i>Source : Rapport narratif du programme d'amélioration de la fertilité des sols dans les exploitations biologiques de la zone cotonnière, année 2009</i>

### EQ 8 on the use made of different financing instruments in support of agricultural commodities

To what extent were different financing instruments and implementation modalities used in a cost effective and timely manner in order to facilitate attainment of the COM's objectives?	
<b>J.8.1</b>	<i>The use of different financing instruments facilitated the development of synergies and complementarities between different interventions so as to facilitate achievement of the COM's objectives</i>
<b>BF Coton</b>	La Commission européenne a mis différents instruments de financement en œuvre dans le cadre de son support aux produits de base agricole au Burkina Faso. Premièrement, les fonds Stabex ont soutenu le secteur cotonnier (financement d'études, d'infrastructures et d'équipement, apurement de dettes, formations). Par ailleurs, les 8 <sup>ie</sup> et 9 <sup>ie</sup> FED ont financé des études dans le secteur du coton et des programmes dans le domaine agricole (PAOSA et PAFFIC- spécifique au secteur cotonnier). Par ailleurs, le Burkina Faso bénéficie des activités du Programme Tous ACP. Sur le plan régional, la Commission européenne a appuyé l'Université du coton et l'UEMOA (secteur du coton entre autres). Enfin, la ligne Food a appuyé un projet d'amélioration de la fertilité des sols pour le coton biologique. Bien que l'aide de la Commission, en particulier via les FED consécutifs, est appréciée, la plupart des parties prenantes rencontrées au Burkina Faso ne perçoivent pas la complémentarité entre le support de la Commission au niveau régional et au niveau national. Au Burkina Faso, l'appui aux produits de base agricoles a eu recours à une combinaison d'instruments de financement et de modalités de mise en œuvre: appui budgétaire général pour le FLEX, appui budgétaire sectoriel pour le coton, projets/

	programme, etc. Au niveau du secteur coton, il y a eu un appui budgétaire sectoriel dans le cadre de la stratégie de sortie de crise (PAFFIC).
<b>I.8.1.4</b>	Stakeholders' views on complementarities between interventions of a given country financed under: (i) bilateral and regional funds (ii) programmable and non programmable funds
<b>BF Coton</b>	<p>La plupart des parties prenantes interrogées à ce sujet (DUE, FAO, UEMOA...) perçoivent mal la complémentarité entre les interventions de la Commission à caractère bilatéral (PAFFIC, amélioration de la fertilité des sols des exploitations biologiques de la zone cotonnière) et celles à caractère régional (Université du coton, activités du volet coton du Programme tous ACP car ils ne voient déjà pas où et comment ces deux niveaux sont coordonnés entre eux.</p> <p>L'approche de l'UNPCB est plus pragmatique. Cette organisation a été amenée à coordonner un nombre croissant d'interventions financées par divers bailleurs (DCE, AFD, BAD,...) portant sur l'amélioration de l'exploitation cotonnière. Ainsi, l'UNPCB a élaboré un plan stratégique quinquennal en 2007 pour mieux conduire les appuis de manière coordonnée. Ces appuis sont intégrés dans le plan stratégique. Pour l'UNPCB, peu importe le bailleur et l'instrument de financement, ce qui importe c'est que les appuis s'intègrent de manière complémentaire dans leur plan stratégique.</p> <p>L'UNPCB distingue bien les appuis réalisés dans le cadre du STABEX et les autres appuis apportés dans le cadre du 9<sup>ème</sup> FED, lignes budgétaire FOOD....L'UNPCB a particulièrement apprécié les appuis réalisés dans le cadre du STABEX qui étaient nettement plus conséquents que les autres appuis et ont mieux répondu à leurs préoccupations (constructions de magasins de stockage d'intrants et du siège de l'UNPCB, financement d'équipement roulant pour l'UNPCB, appui au recrutement par l'UNPCB de personnel technique.... Les autres appuis sont jugés insuffisants pour répondre aux besoins.</p> <p>La SOFITEX, la plus grande des 3 sociétés cotonnières privatisées (= 85% de la production nationale de coton) a surtout apprécié les appuis apportés sur fonds STABEX car ils en voyaient concrètement les effets, notamment en matière, d'apurement de dettes envers les producteurs (bien que l'apurement n'a été que partiel, à hauteur de 800 millions de FCFA et surtout la construction de magasins de stockage des intrants au niveau de groupements de producteurs de coton (GPC). Environ 60 magasins de stockage ont pu être construits avec un financement : 1/3 STABEX, 1/3 SOFITEX, 1/3 producteurs (main d'œuvre, apport de matériaux). D'après la SOFITEX, il faudrait que chaque GPC ait son magasin. Cela faciliterait beaucoup la gestion des intrants qui pose de gros problèmes à la filière. Par ailleurs, la SOFITEX déplore que l'utilisation initiale de fonds COM STABEX3 pour la construction/réfection de 900km de pistes rurales coton a finalement été détournée au profit de la construction d'une route à l'Est.</p> <p>La SOFITEX ne se sent pas concernée/associée par les autres types de financements CE. <i>Sources : MN 510, MN 518, MN 567, MN 575, MN 581</i></p>
<b>BF ACP-ACP Coton</b>	<p>Pour la SOFITEX, ce qui importe c'est la pertinence et la cohérence des interventions qu'elle juge surtout selon son degré d'association dans les interventions. Ainsi, la SOFITEX n'est pas associée au programme GIPD du volet coton du Programme tous ACP, alors qu'elle promeut depuis longtemps des BPA (exemples : semis précoce, traitement sur seuil, utilisation de la matière organique, etc.). Pour la SOFITEX, la GIPD a montré ses limites et elle en a fait part à une mission FAO.</p> <p>Par contre la SOFITEX est associée au projet de lutte contre la contamination du</p>

	Programme tous ACP qu'elle trouve car il permet de bien prendre conscience du problème des contaminants (alors qu'elle trouve moins pertinent le projet de standardisation de la mesure instrumentale du coton à des fins commerciales). <i>Source : MN 575</i>
<b>J.8.2</b>	<b><i>At country level, the support to agricultural commodities used a mix of financing modalities and implementation mechanisms that offered timely and cost-effective responses to the challenges identified</i></b>
<b>BF Coton</b>	Au Burkina Faso, un nombre important d'interventions ont connu des retards dans la mise en œuvre, dont notamment : <ul style="list-style-type: none"> <li>▪ le projet d'amélioration de la fertilité des sols en coton biologique</li> <li>▪ le PAFFIC (appui budgétaire sectoriel)</li> <li>▪ Le Programme PAOSA: retards importants et prolongement de la durée du programme</li> <li>▪ Les activités du Programme Tout ACP : le projet de prévention de la contamination du coton graine</li> </ul>
<b>I.8.2.1</b>	Evidence of justification in the programming documents of the choice of financing modalities and implementation mechanisms, including in terms of timeliness of implementation and cost-effectiveness of interventions
<b>Cotton</b>	<p>Par le passé, la CE a largement participé au développement de la filière coton dans le cadre du mécanisme de stabilisation des exportations "STABEX", à travers des appuis directs à la SOFITEX et à l'UNPCB ainsi qu'aux groupements de producteurs de coton. La construction d'infrastructures villageoises et la réhabilitation des routes nationales RN1 et RN4 utilisées pour le transport du coton, en sont des exemples. <i>Source : Allocation signature CF</i></p> <p>Le suivi du plan d'actions sectoriel de la stratégie de renforcement des finances publiques (2008) a donné un avis favorable à une démarche vers l'ABS. <i>Source : Aide mémoire conjoint MEF/PTFs</i></p> <p>La modalité financière du PAFFIC est un ABS de 10M€ réparti en deux tranches fixes.</p> <p>Le décaissement de la 1ère tranche fixe (8M€) fixe est soumis :</p> <ul style="list-style-type: none"> <li>▪ Au respect des conditions générales relatives à tout appui budgétaire, en accord avec l'accord de partenariat de Cotonou et plus particulièrement : (i) à la mise en œuvre d'un mécanisme de suivi du cadre macroéconomique par le FMI (cadre macroéconomique), (ii) à la poursuite satisfaisante de la mise en œuvre du CSLP et de son processus de suivi (stratégie de réduction de la pauvreté), et (iii) à l'appréciation satisfaisante de la dynamique de réformes et d'amélioration des finances publiques par la Commission et les partenaires du CGAB-CSLP (gestion des finances publiques).</li> <li>▪ Au respect de conditions spécifiques : <ol style="list-style-type: none"> <li>1. L'adoption par le Gouvernement et par l'AICB de la stratégie de sortie de crise</li> <li>2. L'inscription dans le budget de l'Etat (2007 ou loi rectificative) d'une contribution financière à la résolution de la crise financière de la filière</li> <li>3. La décision des conseils d'administration des sociétés cotonnières sur la recapitalisation de leur société avec une quote-part dans ces recapitalisations de l'UNPCB à hauteur d'au moins 10 millions euros</li> <li>4. La publication du rapport annuel 2006 reprenant les données consolidées de la filière</li> </ol> </li> </ul> <p>Le décaissement de la 2ème tranche fixe (2M€) fixe est soumis :</p>



	<ol style="list-style-type: none"> <li>1. Le versement par l'Etat Burkinabé en 2007 pour le compte de l'UNPCB, sous forme de don, d'au moins 10 millions d'euros au titre de la participation des producteurs de coton à la recapitalisation des sociétés cotonnières</li> <li>2. La répartition de la totalité de ce financement entre les sociétés cotonnières qui auront décidé, au 31 décembre 2007, de procéder à leur recapitalisation. Cette répartition se fera au prorata de la moyenne du volume de coton graine réceptionné par chacune de ces sociétés cotonnières des 3 dernières campagnes</li> </ol> <p><i>Source : Allocation signature CF ; Note dossier CF-PAFFIC, 1<sup>ère</sup> tranche, Note dossier CF-PAFFIC, 2<sup>ème</sup> tranche</i></p> <p>La modalité de financement retenue pour le PARFC est un mix d'appui budgétaire sectoriel en gestion décentralisée, pour le volet (Restructuration du Secteur Coton) et d'appui projet (volets alphabétisation et réhabilitation de pistes).</p> <p>Concernant l'appui budgétaire sectoriel, la phase d'identification propose de prévoir une tranche fixe en début de programme constituant une sorte de « ticket d'entrée », permettant le lancement effectif de la Réforme, les tranches variables étant assorties d'indicateurs pertinents, concernant les éléments clé de la réforme proprement dite (Check list Identification phase, p3).</p> <p>L'appui budgétaire retenu dans la CF est divisé en 2 tranches fixes et 1 tranche variable. NB. Le décaissement de la tranche variable (€ 5 M pour le Fonds de Soutien (aux prix coton)) et des tranches fixes (€ 3 M et € 0,7 M) est soumis à 4 conditionnalités générales: (1). poursuite du programme de reforme de la filière coton, (2) gestion satisfaisante des finances publiques, (3). mise en œuvre satisfaisante du CRPRSC, (4). comptes de la CMDT certifiés. ). En plus de ces conditionnalités générales, la convention prévoit des conditions particulières pour chaque tranche. (CF, annexe II, p.16 ; annexe 6). Ainsi, au moment de la mission ROM (février 2010), le financement de la 2<sup>ème</sup> tranche fixe (0,7 M €) était annulé pour non satisfaction à une conditionnalité de décaissement : non réalisation des travaux relatifs à l'ouverture du capital des filiales aux producteurs après la mise en œuvre de toutes les modalités de création des filiales (voir modalités de règlement des tranches d'appui budgétaire, CF, annexe II, p.16 ; annexe 6. <i>Sources : FIP, CF, ROM/BCS</i></p>
<b>J.8.3</b>	<b><i>At sector level, the interventions used financing modalities and implementation mechanisms that were adapted to the absorption and implementation capacities of implementation agencies, regional organisations and producer organisations</i></b>
<b>I.8.3.1</b>	Intervention formulation documents included a diagnostic of the institutional capacity of the implementing agency to undertake the required tasks
<b>Cotton</b>	<p>La fiche d'identification (FIP, §10) évalue la capacité institutionnelle en mentionnant les aspects suivants :</p> <ul style="list-style-type: none"> <li>▪ La Mission de Restructuration du Secteur Coton (MRSC), entité dépendant directement du Premier Ministre et mise en place pour accompagner le processus, doit être renforcée en ressources humaines (expertise insuffisante), en moyens financiers lui permettant de mener des études et des analyses sur fonds propres et en flexibilité afin d'attribuer des contrats dans des délais réduits.</li> <li>▪ Un organisme indépendant de classement (OCC, Office de Classement du Coton) doit être mis en place afin de garantir le classement du coton graine et du coton fibre et participer au renforcement du label « Coton Mali ».</li> <li>▪ Une société de bourse électronique au coton fibre, devra être mise en place afin de rendre transparentes les transactions, élargir le nombre d'acheteurs, renforcer</li> </ul>

	<p>l'information disponible sur le coton malien et accréditer vendeurs et acheteurs.</p> <ul style="list-style-type: none"> <li>▪ L'Interprofession Coton (IPC), représentant les grands métiers du coton, doit être mise en place par un acte constitutif intervenant début 2007. L'IPC assurera, outre la concertation de la filière, une partie des fonctions transversales actuellement assurées par la CMDT (intrants, recherche, conseil agricole, choix des variétés, entretien des pistes).</li> </ul> <p>D'après la FIP (§10), il résulte que l'IPC (Interprofession Coton), la bourse électronique au coton fibre et l'OCC (Office de Classement du Coton) sont des préalables à la privatisation car ils constituent le paysage institutionnel dans lequel la privatisation se déroulera et dont les soumissionnaires devront tenir compte.</p> <p>Par ailleurs, le document de synthèse du Projet mentionne que l'objectif n° 2 du programme vise à permettre aux producteurs d'acquérir une plus grande maîtrise de la filière, d'en assumer le rôle de catalyseur et de renforcer leur contrôle sur le processus de réforme. Il s'agit d'accroître la professionnalisation des producteurs et de leurs organisations notamment à travers l'alphabétisation (Synthèse de "Projet, p.1). Cependant l'identification a relevé que l'alphabétisation fonctionnelle est un besoin structurel de long terme qui ne trouvera pas de solution par un appui ponctuel sur un ou deux ans. En matière de structuration des OP dans la zone cotonnière, elle préconisait que d'autres objectifs plus directement liés à la Réforme de la Filière, puissent être soutenus (participation aux mécanismes de gestion pour en améliorer la transparence et l'efficacité, ou même participation effective au Conseil d'Administration des nouvelles instances (Checklist, Identification phase, p2). <i>Source; FIP</i></p>
<b>I.8.3.2</b>	Evidence of mix of different financing modalities used within a sector and within programmes (MoU/FA) to adapt to needs and absorption capacities
<b>Cotton</b>	<p>The AAACP programme devoted a budget of €15 M to the cotton sector. Part of these € 15 M is allocated to coordination of the activities (including participation and organisation of workshops and seminars) in the sector through the COS-Coton, which is the joint EU-ACP Steering Group set up to follow the implementation of the EU-Africa Cotton Action Plan. <i>Source: Financing agreement n°9571/REG, Annex 2</i></p> <p>Cette relation entre les modalités de financement et les besoins/capacités d'absorption n'est pas explicitement établie dans les documents consultés. Il faut cependant noter que la modalité de financement retenue est un mix d'appui budgétaire sectoriel (ABS) en gestion décentralisée et d'appui projet.</p> <p>L'ABS porte sur l'OS1 de l'intervention (mener à terme le processus de réforme engagé: filialisation et de privatisation de la CMDT, mise en place des organes de régulation de la filière) La phase d'identification proposait de prévoir une tranche fixe en début de programme constituant une sorte de « ticket d'entrée », permettant le lancement effectif de la Réforme, les tranches variables étant assorties d'indicateurs pertinents, concernant les éléments clé de la réforme proprement dite (Check list Identification phase, p3).</p> <p>L'appui budgétaire sectoriel retenu dans la CF est divisé en 2 tranches fixes et 1 tranche variable. NB. Le décaissement de la tranche variable (€ 5 M pour le Fonds de Soutien (aux prix coton)) et des tranches fixes (€ 3 M et € 0,7 M) est soumis à 4 conditionnalités générales: (1). poursuite du programme de reforme de la filière coton, (2) gestion satisfaisante des finances publiques, (3). mise en œuvre satisfaisante du CRPRSC, (4). comptes de la CMDT certifiés. ). En plus de ces conditionnalités générales, la convention prévoit des conditions particulières pour chaque tranche (CF, annexe 6).</p>

	Les appuis projet concernent les OS2 et 3 de l'intervention (alphabétisation et réhabilitation de pistes). <i>Source: Intervention fiche, CF, Check-list FIP</i>
<b>I.8.3.3</b>	Evidence of mix of different implementation mechanisms used within a sector and within programmes (MoU/FA) to adapt to implementation capacities
<b>Cotton</b>	<p>CFC – one of the five international organisations which implement the AACP programme – will implement a specific project dealing with Commercial Standardisation of Instrument Testing of Cotton for cotton producing developing countries in Africa. <i>Source: Financing agreement n°9571/REG, Annex 2</i></p> <p>Cette relation entre les modalités de financement et les capacités de mise en œuvre n'est pas explicitement établie dans les documents consultés. Il faut cependant noter que la modalité de financement retenue est un mix d'appui budgétaire sectoriel (ABS) en gestion décentralisée et d'appui projet. En fait, on a un ABS et plusieurs approches projet : un contrat de services (convention avec l'AFD pour le volet alphabétisation) donc probablement de l'AT, deux contrats de travaux de construction/réhabilitation de routes), et un appel aux propositions ONG (pour la filière coton biologique) en appui aux associations de producteurs) Ce sont donc clairement 4 méthodes de mise en œuvre différentes et peut-être complémentaires (à vérifier sur le terrain, le choix des différentes méthodes n'étant argumenté/explicé dans les documents (FIP et CF))</p> <p>L'ABS porte sur l'OS1 de l'intervention (mener à terme le processus de réforme engagé: filialisation et de privatisation de la CMDT, mise en place des organes de régulation de la filière) La phase d'identification proposait de prévoir une tranche fixe en début de programme constituant une sorte de « ticket d'entrée », permettant le lancement effectif de la Réforme, les tranches variables étant assorties d'indicateurs pertinents, concernant les éléments clé de la réforme proprement dite (Check list Identification phase, p3).</p> <p>L'appui budgétaire sectoriel retenu dans la CF est divisé en 2 tranches fixes et 1 tranche variable. NB.Le décaissement de la tranche variable (€ 5 M pour le Fonds de Soutien (aux prix coton)) et des tranches fixes (€ 3 M et € 0,7 M) est soumis à 4 conditionnalités générales: (1). poursuite du programme de reforme de la filière coton, (2) gestion satisfaisante des finances publiques, (3). mise en œuvre satisfaisante du CRPRSC, (4). comptes de la CMDT certifiés. ). En plus de ces conditionnalités générales, la convention prévoit des conditions particulières pour chaque tranche (CF, annexe 6).</p> <p>Les appuis projet concernent les OS2 et 3 de l'intervention (alphabétisation et réhabilitation de pistes). <i>Sources : CF, Check-list FIP, CRIS</i></p>
<b>BF Coton</b>	Le FLEX a été utilisé et l'aide a été versée à l'Etat burkinabé sous forme d'appui budgétaire dans le secteur du coton. Mais il n'y a pas d'éléments qui justifient que cet appui budgétaire a été réalisé pour s'adapter aux capacités de mise en œuvre, notamment au niveau du Gouvernement. <i>Source : MN 567.</i>
<b>I.8.3.4</b>	Mitigating actions and measures were contained in sector interventions to compensate for identified institutional capacity weaknesses
<b>Cotton</b>	<p>La fiche d'identification indique que l'Interprofession Coton (IPC), la bourse électronique au coton fibre et l'Office de Classement du Coton (OCC) sont des préalables à la privatisation car ils constituent le paysage institutionnel dans lequel la privatisation se déroulera et dont les soumissionnaires devront tenir compte.</p> <p>Le document de synthèse du Projet mentionne que l'objectif n° 2 du programme vise à permettre aux producteurs d'acquérir une plus grande maîtrise de la filière, d'en assumer le rôle de catalyseur et de renforcer leur contrôle sur le processus de réforme.</p>

	<p>Il s'agit d'accroître la professionnalisation des producteurs et de leurs organisations notamment à travers l'alphabétisation (Synthèse de 'Projet, p.1). Cependant l'identification a relevé que l'alphabétisation fonctionnelle est un besoin structurel de long terme qui ne trouvera pas de solution par un appui ponctuel sur un ou deux ans. En matière de structuration des OP dans la zone cotonnière, elle préconisait que d'autres objectifs plus directement liés à la Réforme de la Filière, puissent être soutenus (participation aux mécanismes de gestion pour en améliorer la transparence et l'efficacité, ou même participation effective au Conseil d'Administration des nouvelles instances (Checklist, Identification phase, p2). <i>Sources : FIP, Check-list FIP</i></p>
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### EQ 9 concluding on the relevance of the 2 COMs

To what extent has the Commission's support to agricultural commodities been:  
 (vii) responsive to the needs, problems and issues of commodity dependent ACP countries,  
 (viii) aligned to and supportive of the policy objectives and priorities of recipient commodity dependent ACP countries and regions, and  
 (ix) consistent with and supportive of the objectives of the two communications COM(2004)89 and COM(2004)87?

<sup>1</sup> COM(2004)89: 'Agricultural Commodity Chains, Dependence and Poverty – A proposal for an EU Action Plan'; COM(2004)87: 'Proposal for an EU-Africa partnership in support of cotton sector development' and its associated Action Plan (Action plan for the implementation of the EU-Africa Partnership for cotton)

<b>J.9.1</b>	<i>The interventions supported by the Commission in the field of agricultural commodities have been designed as a response to the country's needs, problems and issues</i>
<b>BF Coton</b>	<p>Le plus souvent, les interventions de la Commission dans le domaine des produits de base agricoles ont été formulées en réponse aux besoins et problèmes du pays partenaire: secteur coton principalement. Des études diagnostics ont été menées dans le secteur du coton pour adapter l'aide aux besoins de ce secteur. Par ailleurs, il a été relevé que le manque de capacités du Ministère de l'Agriculture a mené la Commission européenne à ne pas davantage soutenir ce secteur au Burkina Faso.</p>
<b>I.9.1.1</b>	<p>Country programming and project documents include an analysis of needs and challenges of the agricultural commodity sector or are based on existing diagnostics of the competitiveness of agricultural commodity value chains (Domestic Resource Cost studies)</p>
<b>Cotton</b>	<p>Le secteur coton burkinabé a connu un développement très important depuis 1994. Il concerne plus de 300.000 producteurs, touche directement plus de 3 millions de personnes, et contribue à hauteur de 60 à 70 % aux recettes d'exportation selon les années et à environ 5 % du PIB (15 % du PIB agricole). Il faut noter qu'en raison des difficultés qu'a connues la filière cotonnière, les exportations du coton (qui représentaient jusqu'en fin 2006 en moyenne 60% des exportations totales) ont baissé en 2007 de 18% en valeur, soit 1.5 point de PIB. De ce fait, les exportations du coton ne représentaient plus que 56.4% des exportations totales en 2007.</p> <p>Depuis 1999, le Gouvernement burkinabé a engagé un processus de privatisation de la filière, en cédant dans un premier temps aux producteurs 30% des actions qu'il détenait dans la société cotonnière d'Etat, la SOFITEX, et en cédant dans un second temps en 2004 les zones Centre et Est à 2 nouvelles sociétés cotonnières, FASOCOTON et la SOCOMA.</p>

	<p>Depuis la campagne 2004-2005, la filière coton est cependant confrontée à une crise financière sans précédent, due notamment à la forte dépréciation du dollar US par rapport à l'euro, à la baisse des prix du coton fibre sur les marchés internationaux et à la baisse de la compétitivité de la filière. Cette crise financière s'est d'abord traduite par un retard dans les achats et le paiement du coton graine de la campagne 2006-2007, ensuite par la difficulté de mobiliser les financements pour l'acquisition des intrants de la campagne 2007-2008.</p> <p>De manière à assurer le financement de la campagne 2007-2008 et permettre l'achat et le paiement rapide de l'ensemble du coton graine produit, la définition et la mise en œuvre d'une stratégie ad hoc de renforcement de la filière se sont révélées d'une extrême urgence.</p> <p>Le PAFFIC vise à contribuer à la lutte contre la pauvreté en appuyant la filière coton, important vecteur de croissance économique en milieu rural. Il permet de financer la participation des producteurs à la recapitalisation des sociétés cotonnières. Il contribue à la stratégie de sortie de crise, adoptée par le Gouvernement et l'AICB, qui veut redresser financièrement les sociétés cotonnières et ramener la confiance du système bancaire national et international, prévoyant notamment la recapitalisation des sociétés cotonnières accompagnée de la mise en place de mécanismes de gestion du risque prix, comme le Fonds de lissage (FdL). <i>Source : Allocation signature CF ; Note dossier CF-PAFFIC, 1<sup>ère</sup> tranche</i></p> <p>La filière cotonnière représente pour le Mali un enjeu fondamental dominant toutes autres productions agricoles. Le coton est le second produit d'exportation après l'or et est au centre des activités de 165.000 exploitations dont dépendent 3 millions de personnes (FIP, §3). Il contribue à hauteur de 30 à 50 % aux recettes d'exportation selon les années et à environ 10% du PIB. La Compagnie Malienne de Développement des Textiles (CMDT) reste la plus grande entreprise d'égrenage de coton du monde (CF, annexe II, p.2).</p> <p>Le secteur coton reste cependant fragile et la filière traverse de nombreuses difficultés. Les prix internationaux du coton, qui se vend en dollars US sur le marché mondial, sont au moment de la formulation du PARFC orientés à la baisse en raison des gains de productivité et des subventions qui pèsent sur le niveau des cours. Par ailleurs, la chute du dollar US par rapport à l'euro depuis le début de l'année 2002, pèse lourdement sur les prix exprimés en dollars US et convertis francs CFA. A prix au producteur constant et toutes autres choses égales par ailleurs, le seuil de rentabilité de la filière malienne est passé de moins de 50 cents la livre en 2001/02 à plus de 60 cents en 2005/06, sous le seul effet de la dépréciation du dollar EU par rapport à l'euro et par conséquent au franc CFA (CF, annexe II, p.2).</p> <p>La filière cotonnière représente donc un enjeu politique dont l'importance tend à paralyser les actions et réformes qui seraient nécessaires pour adapter la filière aux nouvelles conditions économiques (FIP, §3).</p> <p>La FIP (§5) mentionne que la tendance à la baisse du prix mondial du coton et l'inscription de la filière malienne dans l'économie libérale sont les principes de référence qui justifient la nécessité de réformer la filière pour lui permettre de conserver sa performance.</p> <p>Depuis 2001, un processus de réforme de la filière est en cours et le gouvernement a ainsi adopté une "Lettre de Politique de Développement du Secteur Coton" (LPDSC) à la suite des Etats Généraux du Coton qui définissaient une stratégie assortie d'un plan d'action couvrant la période 2001-2002 (CF, annexe II, p.2). Cette réforme, centrée sur la privatisation de la CMDT, veut renforcer la productivité de la filière, donner au coton une place prépondérante en matière de lutte contre la pauvreté, d'amélioration des conditions de vie des populations, de contribution à la croissance et, surtout, diminuer substantiellement le risque budgétaire que la filière entraîne sur le</p>
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	<p>budget de l'Etat.</p> <p>Le Conseil des Ministres a adopté en 2003 un Plan d'Actions Actualisé de la LPDSC prévoyant notamment la privatisation de la CMDT à l'horizon 2006 par sa scission en trois ou quatre sociétés cotonnières privées. En 2004, le Président de la République a annoncé un report de la privatisation en 2008 en faisant valoir les difficultés auxquelles les privatisations en cours dans la sous-région étaient confrontées et la nécessité d'une plus grande implication des producteurs dans l'organisation et le fonctionnement de la filière (CF, annexe II, p.2).</p> <p>La réforme est centrée sur la libéralisation de la filière et la privatisation de la CMDT en situation de monopole étatique (Etat majoritaire) et connaissant des crises financières à répétition, en particulier depuis 1999, amplifiées par la nature peu compétitive de la filière malienne et par une agriculture extensive difficilement à même de s'adapter à de nouvelles conditions (FIP, §2).</p> <p>La CF relève que, depuis la crise de 1999/2000, le gouvernement du Mali, est intervenu à plusieurs reprises, soit sous forme d'avances remboursables et/ou de subventions auprès de la CMDT pour permettre à cette dernière de présenter aux banques commerciales une situation financière lui permettant de mener les activités d'achat du CG (coton graine) et la distribution des intrants aux producteurs (CF, annexe II, p.10).</p> <p>En 2005, le Gouvernement du Mali adopte le Programme d'Appui à la Reforme de la Filière Coton (PARFC) qui se base sur le "Cadre stratégique du Développement du Secteur Coton", (CSDSC), CF annexe 2, assorti du plan d'action "Chronogramme Révisé de Reforme du Secteur Coton" (CRPRSC), CF annexe 1, dont la mise en œuvre est confiée à la "Mission de Restructuration du Secteur Coton" (MRSC). Cette feuille de route de la privatisation et de la libéralisation de la filière coton constitue le document de référence unique tant pour le gouvernement que pour les partenaires techniques et financiers" (BCS, §1.1; Monit? report, p2; CF, annexe II, p.2.)</p> <p>Le plan d'action du CSDC est chiffré à 350 M€ pour les années 2006 à 2008. Le coût de la mise en œuvre de la réforme y est estimé à 3,6 M€, sur base d'un chronogramme détaillé alors que 25 M€ sont budgétisés pour la mise en place d'une bourse coton, d'un office de classement du coton et d'un fonds de soutien au prix du coton (FIP, §6). <i>Sources : CF, FIP, Monitoring report, ROM/BCS</i></p>
<p><b>BF</b> <b>Coton</b></p>	<p>Dans le cadre du 8<sup>ie</sup> FED, la Commission européenne a financé le « Diagnostic de la filière coton et l'Identification d'axes stratégiques » au Burkina Faso, dont le rapport final a été produit en août 2007.</p> <p>Cette étude est justifiée par le fait que la filière coton représente un enjeu économique et financier considérable pour le Burkina Faso. Elle a été réalisée suite à la crise financière majeure du secteur cotonnier dans le pays, qui s'est aggravé durant deux campagnes et qui a menacé l'existence même de la filière. Il convenait ainsi de s'interroger d'une part sur les contours de la crise elle-même et sur les mesures requises à court terme pour y mettre fin, et d'autre part sur la viabilité à moyen et à long terme de la filière cotonnière du pays.</p> <p>Le rapport, produit par une équipe de consultants externes commissionnés par la Commission européenne à travers le Fonds d'Observation Economique et sociale du monde rural, inclut une analyse de la filière coton sur les plans institutionnel, juridique et fonctionnel, ainsi que l'analyse économique et financière de la filière et la définition des orientations stratégiques pour le devenir de la filière à court, moyen et long terme.</p> <p>Les principales conclusions de cette étude indiquent que :</p> <ul style="list-style-type: none"> <li>▪ la filière coton du Burkina Faso constitue depuis plusieurs années déjà un modèle de développement dans le secteur cotonnier d'Afrique de l'Ouest et du Centre : 1) l'organisation de producteurs dans le secteur compte parmi les plus performantes</li> </ul>

	<p>en la matière dans la sous région africaine ; 2) le double processus de privatisation et de libéralisation de la filière coton du pays a été conduit de façon pragmatique sans jamais remettre en cause les principes organisationnels propres à sécuriser les producteurs, les sociétés cotonnières, les banques/ institutions financières impliquées dans la filière.</p> <ul style="list-style-type: none"> <li>▪ En 2007, le modèle de la filière coton du Burkina Faso est partiellement remis en cause suite à trois évolutions majeures : <ul style="list-style-type: none"> <li>- La crise financière dans le secteur cotonnier du pays, ayant commencé lors de la campagne 2004-2005 et toujours présente en 2007, est de nature à compromettre la survie même de la filière avec une impossibilité de mobiliser les financements nécessaires pour l'acquisition d'intrants pour la production et de payer les producteurs en temps pour la récolte produite et vendues au sociétés cotonnières ;</li> <li>- L'augmentation très conséquente de la production dissimule mal une stagnation voire une baisse des rendements qui pèse lourdement sur les revenus des producteurs de coton ;</li> <li>- La question environnementale contribue à fragiliser la durabilité de la filière coton.</li> </ul> </li> </ul> <p>Afin de sortir de la crise, l'étude indique qu'il est primordial et urgent de recapitaliser la SOFITEX (société cotonnière la plus importante du pays représentant environ 80% de la production de coton burkinabé) et de mettre en place un Fonds de lissage. Par ailleurs, pour le moyen et le long terme, les principaux objectifs dégagés suite au diagnostic de la filière et indiquant les principaux axes stratégiques pour l'avenir de la filière sont :</p> <ul style="list-style-type: none"> <li>▪ L'amélioration des performances institutionnelles de la filière en confortant le dispositif de gestion interprofessionnelle ;</li> <li>▪ L'amélioration des performances économiques de la filière en vue de prévenir de nouvelles crises et d'améliorer la compétitivité de la filière coton sur le plan international ;</li> <li>▪ L'amélioration de la durabilité environnementale de la filière ;</li> <li>▪ La diversification des revenus des producteurs</li> </ul> <p>Enfin, en matière de diversification, l'étude recommande le soutien des pouvoirs publics aux filières biocarburants et le développement de nouvelles cultures oléagineuses alors que les promoteurs de ces filières semblent avoir bien pris en compte les deux grandes problématiques de l'environnement et de la sécurité alimentaire.</p> <p><i>Source: Diagnostic de la filière coton et identification d'axes stratégiques, Projet 8 ACP BK O14 – Fonds d'observation Economique et Sociale du Monde Rural (FOESMR), Rapport final 2007</i></p>
<b>I.9.1.2</b>	Programming and formulation documents explicitly show which needs are intended to be responded to and how the proposed interventions will address these needs at macro-economic and commodity sector level
<b>Cotton</b>	<p>Le PAFFIC vise à contribuer à la lutte contre la pauvreté en appuyant la filière coton, important vecteur de croissance économique en milieu rural. Il permet de financer la participation des producteurs à la recapitalisation des sociétés cotonnières. Il contribue à la stratégie de sortie de crise, adoptée par le Gouvernement et l'AICB, qui veut redresser financièrement les sociétés cotonnières et ramener la confiance du système bancaire national et international, prévoyant notamment la recapitalisation des sociétés cotonnières accompagnée de la mise en place de mécanismes de gestion du risque prix, comme le Fonds de lissage (FdL).<i>Source : Allocation signature CF</i></p> <p>La CF donne les leçons apprises au cours du long et difficile processus de réforme</p>

	<p>entamé par le Gouvernement malien depuis 2001. (CF, annexe 2, §2.6) :</p> <ul style="list-style-type: none"> <li>▪ Les difficultés rencontrées pour la mise en œuvre de la réforme ont mis en évidence la complexité de la filière ainsi que les enjeux politiques, économiques et sociaux. C'est ainsi que la nouvelle stratégie de réforme comporte de multiples volets qui doivent permettre de conduire le changement sans déstabiliser la filière.</li> <li>▪ La privatisation est insuffisante pour relever les grands défis auxquels la filière est confrontée - Les réformes en cours dans les filières de la sous-région montrent que si le double processus de privatisation et de libéralisation est indispensable pour affranchir les filières de la dépendance du budget de l'Etat et faire prévaloir une rationalité économique dans leur gestion, il ne permet pas à lui seul de relever les principaux défis auxquels la filière est confrontée à savoir, l'amélioration de sa compétitivité et la gestion de la volatilité des cours de la fibre.</li> <li>▪ Le processus de recentrage de la CMDT sur l'égrenage et la commercialisation de la graine et de la fibre a fait émerger de nouvelles difficultés. Ainsi, les producteurs ne disposent pas encore des supports institutionnels adaptés ni des savoirs faire ni des ressources pour assurer dans de bonnes conditions les fonctions qui leur incombent désormais (ex. exécution des programmes annuels de réhabilitation/entretien des pistes).</li> <li>▪ L'alphabétisation fonctionnelle est un préalable à toute réforme institutionnelle et à toute action de renforcement de la compétitivité - L'échec de certaines privatisations dans la sous-région montre que pour aboutir, les réformes structurelles doivent être soutenues par la mise en place d'un partenariat équilibré entre les sociétés cotonnières et les producteurs solidairement responsables des performances de la filière. La construction d'un tel partenariat adosse à des interprofessions exige des organisations de producteurs à caractère professionnel autonomes à la fois financièrement et techniquement. Or la mise sur pied d'un réseau performant d'organisations de producteurs reste un objectif irréaliste si elle ne s'appuie pas sur un nombre suffisant de personnes alphabétisées.</li> <li>▪ L'amélioration de la qualité du coton graine passe par l'amélioration des conditions de récolte et de stockage, mais l'évacuation du produit à temps et dans de bonnes conditions constitue une garantie de meilleure qualité pour laquelle la réhabilitation et l'entretien des pistes cotonnières est stratégique.</li> <li>▪ La mise en place d'un mécanisme de soutien s'avère nécessaire pour atténuer l'amplitude des variations des revenus des producteurs. En effet, le maintien du niveau des cours mondiaux à 59 cents/lb et une poursuite de la dépréciation du dollar par rapport au franc CFA ne permettront pas de respecter le prix de campagne tel que déterminé dans le cadre du protocole d'accord de janvier 2005.</li> <li>▪ Pour le court et le moyen terme, il n'existe pas d'alternative à la culture du coton: malgré son caractère peu rémunérateur dans certains cas, les producteurs la poursuivent car c'est la seule culture qui bénéficie d'un prix fixe à l'avance et qui garantisse l'accès au crédit agricole et donc aux intrants. Il importe donc dans un premier temps de travailler à la consolidation de la filière coton et à l'amélioration de sa productivité, en prenant en compte les besoins d'une diversification qui ne pourra se faire que sur le moyen et long terme.</li> </ul> <p>L'objectif global finalement retenu par rapport à la nécessité de réformer la filière en vue de restaurer sa compétitivité et sa viabilité financière et institutionnelle, est de "Mener à terme le processus de réforme de la filière coton afin de rétablir la compétitivité et durabilité sur les marchés internationaux"(Synthèse de projet). L'objectif spécifique est d' « Améliorer les performances institutionnelles et économiques de la filière coton » qui est décliné en 3 objectifs :</p>
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	<p>Objectif n° 1: Mener à terme le processus de réforme engagé: conclusion du processus de filialisation et de la privatisation de la CMDT, mise en place des organes de régulation de la filière, comprenant un mécanisme de fixation des prix aux producteurs et un fonds de soutien en cas de baisse des prix mondiaux en dessous d'un seuil pivot..</p> <p>Objectif n° 2: Permettre aux producteurs d'acquérir une plus grande maîtrise de la filière, d'en assumer le rôle de catalyseur et de renforcer leur contrôle sur le processus de réforme</p> <p>Objectif n° 3: Procéder à la réhabilitation/ reconstruction d'environ 350 à 400 km de pistes dans les zones où les perspectives de développement de la production sont importantes et dont l'enclavement compromet sérieusement la sortie à temps et dans de bonnes conditions de la production récoltée » ((Synthèse de projet et fiche d'identification, §5)). <i>Sources : CF, FIP, PS</i></p>
<p><b>BF</b> <b>Coton</b></p>	<p>Suite au rapport de « Diagnostic de la filière coton et l'Identification d'axes stratégiques » au Burkina Faso (août 2007), la Commission européenne a soutenu sous le 8<sup>i</sup>e FED dans le cadre des interventions du Fonds d'Observation Economique et sociale du monde rural la définition des « Stratégies de développement durable de la filière coton au Burkina Faso ». Sous forme d'une approche participative, ces stratégies ont été définies avec la contribution de consultants internationaux, du Ministère de l'Economie et des Finances (Direction Générale de la Coopération), du Ministère de l'Agriculture, de l'Hydraulique et des ressources halieutiques (Secrétariat permanent de la Coordination des Politiques sectorielles Agricoles), du Ministère du Commerce, de la Promotion de l'entreprise et de l'Artisanat (Secrétariat permanent du suivi de la filière coton libéralisée), ainsi que l'ensemble des partenaires de la filière coton (représentants des producteurs, représentants des sociétés cotonnières, représentants du secteur financier, etc.).</p> <p>Deux stratégies (cadres logiques assortis de commentaires) ont ainsi été développées pour le secteur cotonnier du Burkina Faso :</p> <ul style="list-style-type: none"> <li>▪ La stratégie de sortie de crise.</li> <li>▪ La stratégie à moyen long terme.</li> </ul> <p>Dans le cadre de la stratégie de crise, deux axes stratégiques ont été définis :</p> <ul style="list-style-type: none"> <li>▪ L'assainissement de la situation financière des sociétés cotonnières, et plus particulièrement de la SOFITEX (pour 34 milliards de FCFA). La Commission européenne portera une partie de ce financement (10 millions EUR) sous forme d'un don dans le cadre d'une aide budgétaire. Un Fonds de lissage a été mis en place par l'AFD (pour garantir les nouveaux crédits auprès des banques).</li> <li>▪ Le rétablissement de la confiance avec le système bancaire national et international. Cet axe comprend l'accès à l'information sur la filière et des échanges réguliers entre la filière coton du pays, l'Etat et les partenaires techniques et financiers.</li> </ul> <p>La stratégie de crise proposée a débouché sur la stratégie commune de sortie de crise validée en mars 2008 par l'Etat et l'interprofession du coton (AICB). Elle constituait une des conditions spécifiques dans le cadre de l'ABS mis en œuvre à travers le PAFFIC.</p> <p>La stratégie à moyen-long terme est axée sur l'amélioration de la compétitivité de la filière par une augmentation des rendements au champ, une maîtrise des coûts à tous les niveaux de la filière et une politique de reconquête de la qualité du coton graine et de la fibre. Cette stratégie sectorielle pour le coton s'inscrit dans le cadre plus général de la lutte contre la pauvreté. Son objectif général est de conforter la filière coton comme vecteur de la lutte contre la pauvreté en termes de croissance économique et plus spécifiquement de revenus et d'emplois dans le secteur rural et agricole. Elle met</p>

	<p>l'accent sur la durabilité de la filière à trois niveaux :</p> <ul style="list-style-type: none"> <li>▪ Durabilité financière et économique, pour faire face à la faiblesse et la volatilité des cours et à la concurrence des pays plus compétitifs ;</li> <li>▪ Durabilité sociale, pour accroître l'autonomie des producteurs et de leurs organisations ;</li> <li>▪ Durabilité environnementale, pour tendre à limiter les impacts négatifs du coton sur la santé des personnes, des animaux et de l'environnement en général par un emploi raisonné des intrants chimiques le développement de nouvelles méthodes de traitement, le recours à des pratique agricoles plus respectueuses de la fertilité des sols.</li> </ul> <p>La stratégie à moyen-long terme n'a pas fait l'objet d'une validation par l'Etat et les acteurs privés. Seule la stratégie commune de sortie de crise a été validée. Par la suite, un plan de soutien triennal (2009-2011) (demandé mais non fourni par le secrétariat permanent de la filière coton libéralisée) a été élaboré et mis en œuvre sur ressources propres (Etat et sociétés cotonnières). Les actions ont essentiellement porté sur l'assainissement financier de la filière coton. En 2010, sur fonds propre et sans l'appui de la DUE, une étude prospective a été menée afin de définir une vision et des axes stratégiques pour le développement futur de la filière coton. <i>Source: Stratégies de développement durable de la filière coton au Burkina Faso, Projet 8 ACP BK O14 – Fonds d'observation Economique et Sociale du Monde Rural (FOESMR), Rapport amendé, Août 2007 ; Stratégie commune de sortie de crise, mars 2008 ; MN 523</i></p>
<b>I.9.1.3</b>	Explicit reference in programming documents of Commission interventions to measures ensuring sustainability such as the participation of key stakeholders when designing programmes and projects
<b>Cotton</b>	<p>Le PAFFIC permet de financer la participation des producteurs à la recapitalisation des sociétés cotonnières. Il contribue à la stratégie de sortie de crise, adoptée par le Gouvernement et l'AICB, qui veut redresser financièrement les sociétés cotonnières et ramener la confiance du système bancaire national et international, prévoyant notamment la recapitalisation des sociétés cotonnières accompagnée de la mise en place de mécanismes de gestion du risque prix, comme le Fonds de lissage (FdL). <i>Source : Allocution signature CF</i></p> <p>La privatisation des filiales issues de la CMDT est assortie d'une participation des producteurs à leur capital. Cette participation fait partie de la conditionnalité de décaissement de la seconde tranche fixe (BCS, §2, Monitoring Report, p 2). <i>Source :ROM/BCS, Monitoring report</i></p>
<b>I.9.1.4</b>	Views of stakeholders on appropriateness of needs identified and on the priorities chosen with respect to the needs identified as well as on their ownership of Commission-funded activities
<b>Cotton</b>	<p>Le rapport ROM relève des contradictions. En effet, d'une part l'Etat s'est proclamé prêt à faire sortir le Mali de l'impasse de l'implication étatique dans une filière pour que celle-ci puisse devenir compétitive dans le contexte du marché mondial du coton. Cependant, les multiples acteurs concernés par l'action, notamment ceux de l'environnement CMDT, se voient menacés dans leur existence et résistent au changement. Ces acteurs ont exprimé de sérieuses réserves envers la libéralisation de la filière coton et se caractérisent plutôt comme des adeptes d'une attitude interventionniste (BCS, §1.3)</p> <p>On peut également noter que le rapport ROM mentionne que la communication entre la DELCE et les parties prenantes, notamment la MRSC n'est pas très étroite et caractérisée par un certain formalisme cauteux, qui va à l'encontre d'un échange</p>

	d'idées. Ici, le rapport ROM souligne le rôle facilitateur de l'ordonnateur national du FED, qui à plusieurs reprises semble avoir pu débloquent des impasses de communication (BCS, §2.4). <i>Source :ROM/BCS</i>
<b>J.9.2</b>	<b><i>The choice of interventions is aligned with the policy objectives and priorities of the beneficiary country's national strategy</i></b>
<b>BF Coton</b>	Le plus souvent, il y a eu alignement sur les objectifs et priorités du Gouvernement: <ul style="list-style-type: none"> <li>▪ Dans le secteur coton, la Commission européenne à travers le PAFFIC et les fonds STABEX: appui à la stratégie de sortie de crise</li> <li>▪ Alignement pour les interventions du Programme Tous ACP</li> </ul>
<b>I.9.2.1</b>	Existence in the programming documents of explicit reference to the country's national and commodity sector policy objectives and priorities
<b>Cotton</b>	L'Etat burkinabè, ses Partenaires, ainsi que tous les acteurs de la filière coton, sont conscients tant des potentialités de la filière pour le développement du pays, que des risques actuels qui pèsent sur elle. Avec le PAFFIC, l'UE veut contribuer de façon significative à la relance de la filière coton au Burkina Faso, conformément aux engagements pris suite au Forum de Paris de juillet 2004 dans le cadre du Partenariat Coton Europe-Afrique. Le PAFFIC vise à contribuer à la lutte contre la pauvreté en appuyant la filière coton, important vecteur de croissance économique en milieu rural. Il permet de financer la participation des producteurs à la recapitalisation des sociétés cotonnières. Il contribue à la stratégie de sortie de crise, adoptée par le Gouvernement et l'AICB, qui veut redresser financièrement les sociétés cotonnières et ramener la confiance du système bancaire national et international, prévoyant notamment la recapitalisation des sociétés cotonnières accompagnée de la mise en place de mécanismes de gestion du risque prix, comme le Fonds de lissage (FdL). <i>Source : Allocution signature CF</i> Le PARFC se base sur le "Cadre stratégique du Développement du Secteur Coton", (CSDSC, CF annexe 2) de l'Etat malien, adopté par le Gouvernement en 2005, assorti du plan d'action "Chronogramme Révisé de Reforme du Secteur Coton" (CRPRSC, CF annexe 1)) dont la mise en oeuvre est confiée à la "Mission de Restructuration du Secteur Coton" (MRSC). Cette feuille de route de la privatisation et de la libéralisation de la filière coton constitue le document de référence unique tant pour le gouvernement que pour les partenaires techniques et financiers"(BCS, §1.1; Monitoring report, p2). <i>Source :CF, ROM/BC, Monitoring report</i>
<b>I.9.2.2</b>	Programming documents explicitly show how the Commission's priorities are aligned on the national and sectoral objectives
<b>Cotton</b>	L'Etat burkinabè, ses Partenaires, ainsi que tous les acteurs de la filière coton, sont conscients tant des potentialités de la filière pour le développement du pays, que des risques actuels qui pèsent sur elle. Avec le PAFFIC, l'UE veut contribuer de façon significative à la relance de la filière coton au Burkina Faso, conformément aux engagements pris suite au Forum de Paris de juillet 2004 dans le cadre du Partenariat Coton Europe-Afrique. Le PAFFIC vise à contribuer à la lutte contre la pauvreté en appuyant la filière coton, important vecteur de croissance économique en milieu rural. Il permet de financer la participation des producteurs à la recapitalisation des sociétés cotonnières. Il contribue à la stratégie de sortie de crise, adoptée par le Gouvernement et l'AICB, qui veut redresser financièrement les sociétés cotonnières et ramener la confiance du système bancaire national et international, prévoyant notamment la recapitalisation des sociétés cotonnières accompagnée de la mise en place de mécanismes de gestion du risque prix,


	<p>comme le Fonds de lissage (FdL). <i>Source : Allocution signature CF</i></p> <p>Le PARFC se base sur le "Cadre stratégique du Développement du Secteur Coton", (CSDSC, CF annexe 2) de l'Etat malien, adopté par le Gouvernement en 2005, assorti du plan d'action "Chronogramme Révisé de Reforme du Secteur Coton" (CRPRSC), CF annexe 1, dont la mise en œuvre est confiée à la "Mission de Restructuration du Secteur Coton" (MRSC). Cette feuille de route de la privatisation et de la libéralisation de la filière coton constitue le document de référence unique tant pour le gouvernement que pour les partenaires techniques et financiers"(BCS, §1.1; Monitoring report, p2). <i>Source :ROM/BCS, Monitoring report, CF</i></p>
<b>I.9.2.3</b>	Existence in the intervention formulation documents of explicit reference to the policy objectives and priorities of the commodity sector in which interventions are proposed to take place and of explicit links to these objectives
<b>Cotton</b>	<p>L'Etat burkinabè, ses Partenaires, ainsi que tous les acteurs de la filière coton, sont conscients tant des potentialités de la filière pour le développement du pays, que des risques actuels qui pèsent sur elle. Avec le PAFFIC, l'UE veut contribuer de façon significative à la relance de la filière coton au Burkina Faso, conformément aux engagements pris suite au Forum de Paris de juillet 2004 dans le cadre du Partenariat Coton Europe-Afrique. Le PAFFIC vise à contribuer à la lutte contre la pauvreté en appuyant la filière coton, important vecteur de croissance économique en milieu rural. Il permet de financer la participation des producteurs à la recapitalisation des sociétés cotonnières. Il contribue à la stratégie de sortie de crise, adoptée par le Gouvernement et l'AICB, qui veut redresser financièrement les sociétés cotonnières et ramener la confiance du système bancaire national et international, prévoyant notamment la recapitalisation des sociétés cotonnières accompagnée de la mise en place de mécanismes de gestion du risque prix, comme le Fonds de lissage (FdL).<i>Source : Allocution signature CF</i></p> <p>Le PARFC se base sur le "Cadre stratégique du Développement du Secteur Coton", (CSDSC, CF annexe 2) de l'Etat malien, assorti du plan d'action "Chronogramme Révisé de Reforme du Secteur Coton" (CRPRSC, CF annexe 1) dont la mise en oeuvre est confié à la "Mission de Restructuration du Secteur Coton" (MRSC). Cette feuille de route de la privatisation et de la libéralisation de la filière coton constitue le document de référence unique tant pour le gouvernement que pour les partenaires techniques set financiers"(BCS, §1.1; Monitoring report, p2).</p> <p>D'après la mission ROM, le cadre logique (CL) de l'intervention, reflète étroitement le "Chronogramme Révisé du Processus de Reforme du Secteur Coton" (CRPRSC) de 2005 et le "Plan d'action du CSDSC", qui définissent la politique de l'état malien en matière de libéralisation de la filière coton (BCS, §2.2).<i>Source :ROM/BCS</i></p>
<b>I.9.2.4</b>	Views of stakeholders on appropriateness of Commission's interventions with respect to national and country priorities
<b>BF Coton</b>	<p>Le ministère de l'agriculture n'a aucun contact avec la DUE concernant le coton. D'après lui, la DUE traite directement avec les acteurs de la filière. Il est précisé que, depuis la privatisation (2004), la production de coton relève des sociétés cotonnières dont la tutelle est sous le ministère du commerce, spécifiquement au niveau du secrétariat permanent de la filière coton libéralisée. Les rapports entre le ministère de l'agriculture et les sociétés cotonnières se limitent à des aspects liés à l'approvisionnement en intrants. <i>Source : MN 547</i></p>

<b>BF Coton</b>	Le point de vue du Secrétariat permanent de la filière coton libéralisée (SPCL) est que le soutien de l'UE (et d'autres PTs) à la filière cotonnière dans le cadre de la stratégie de sortie de crise (mars 2008) a été assez efficace mais trop limité et ponctuel. Par ailleurs, le SPCL déplore les ressources trop limitées (15 millions€) allouées au volet coton du Programme Tous ACP au vu des besoins des filières cotonnières, conduisant à une dilution/saupoudrage des appuis et à des impacts trop limités. Il aurait fallu se limiter à un plus petit nombre de pays, les principaux producteurs de coton. <i>Source : MN 523</i>
<b>J.9.3</b>	<b><i>Over the period 2004-2009, the choice of interventions supported in the field of agricultural commodities is aligned to the objectives of the two Communications and has helped their achievement</i></b>
<b>BF Coton</b>	Sur la période 2004-2010, les interventions de la Commission dans le domaine des produits de base agricoles répondent aux objectifs des deux Communications et ont contribué à la réalisation de leurs objectifs, en particulier du Plan action secteur coton-Partenariat UE-Afrique. Cependant, la décision de réaliser ces interventions ne fait pas de référence directe et explicite aux Communications
<b>I.9.3.5</b>	Evidence in project monitoring and evaluation reports that the interventions have contributed to the achievement of one or several of the COM's intended results
<b>Cotton</b>	Bien qu'une référence spécifique à la COM ne soit pas faite dans les documents consultés, le PAFFIC et son appui à la stratégie de sortie de crise de la filière coton, adoptée par le Gouvernement et l'AICB, vont dans le sens d'une contribution au R2 de la COM (pour l'aspect recapitalisation) et R3 pour l'appui indirect au Fond de Lissage (FdL), outil novateur de gestion du risque prix. <ul style="list-style-type: none"> <li>▪ Cette relation n'est pas mentionnée de façon explicite dans le rapport ROM. Cependant, en relation avec les R2 et R3 des COM (NB.), la mission ROM relève une nette contradiction de principe entre "privatisation de la CMDT" (OS 1) et le résultat attendu de l'objectif 1 "...libéralisation de la filière et la mise en place des organes de régulation, mise en place d'un dispositif de soutien intra-annuel puis inter-annuel des cours de coton". Selon les consultants, ceci n'implique rien d'autre que de remplacer une entité quasi-étatique (CMDT) par une autre institution quasi-étatique avec mission de "lisser les prix", euphémisme pour une subvention des cours du coton (BCS, §1.2; Monitoring report, p2).</li> <li>▪ Sans en faire référence, mais en relation avec l'objectif global des COM, le rapport ROM estime que les aspects réduction de pauvreté (et sécurité alimentaire) sont complètement écartés (BCS, §1.3). Dans le contexte actuel, il estime que la filière coton ne rime pas avec l'objectif du millénaire "réduction de pauvreté (BCS, §7.4).</li> </ul> <i>Source : ROM/BCSné</i>
<b>I.9.3.6</b>	Views of stakeholders about the alignment of Commission support in the field of agricultural commodities to the COM's objectives
<b>BF Coton</b>	Le Secrétariat permanent de la filière coton libéralisée (SPCL) estime que les appuis de la Délégation de l'UE se situent dans le cadre du Partenariat UE-Afrique, mais sans faire de référence explicite à la COM(2004)89. <i>Source : MN 523</i>



# Palm Oil - Product Fiche

## 0. Identification of the product

	<ul style="list-style-type: none"> <li>▪ Palm oil</li> <li>▪ <i>Elaies guineensis</i> (African oil palm) and <i>Elaeis oleifera</i> (American oil palm)</li> </ul> <p>Oil is extracted from the fruit pulp (palm oil) and the kernel (palm kernel oil) of the oil palm tree. The oil palm is the most widely used source of oils and fats in the World<sup>50</sup>.</p> <p>Palm oil is edible and commonly used as cooking oil in many Southern countries. Its low cost and high level of saturated fat (which confers its long resistance to oxidation) have also made it an ingredient used in most industrial food preparations. It is also used in the cosmetic industry. The palm kernel oil can be processed for uses in food and cosmetic products. Palm oil is also processed and used as biofuel.</p> <p>The by-products of oil production are abundant: fronds, trunks, empty fruit bunches, press fibre, kernel endocarp, kernel cake and oil mill effluent. Their uses include the following:</p> <ul style="list-style-type: none"> <li>▪ Palm oil mill effluents can be treated to extract biogas.</li> <li>▪ The fronds and kernel cake are processed to serve as feed for livestock.</li> <li>▪ The fibre from the trunks and processed empty fruit bunches can be used in food preparations or in furniture.</li> <li>▪ The biomass of these products can also be used to produce energy.</li> </ul> <p>Although palm oil is the cheapest, it is also discredited for negative environmental impacts of palm farming practices and the health implications of its high saturated fat content. Other vegetable oils can be used in cooking instead of palm oil. Coconut oil is the one with the closest properties (high level of saturated fat). Other cooking oils include soybean oil, olive oil, canola oil, groundnut oil, sunflower oil, etc.</p>
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<sup>50</sup> [Malaysian Palm Oil Industry Performance 2008](#) Global Oils & Fats Business Magazine VOL.6 ISSUE 1 (Jan-March), 2009

## 1. Commission support to the product

Commission support to oil and palm over 2000-2009 has been as follows (in Euros):

**Table 29: Commission support to palm oil per country**

Countries	Planned amount
CONGO (DRC)	1,581,385
ETHIOPIA	719,254
GHANA	70,465
MAYOTTE	1,014,487
SENEGAL	2,454,318
SOLOMON ISLANDS	13,121,384
TOGO	1,828,958
WESTERN SAMOA	33,057
<b>Grand Total</b>	<b>20,823,307</b>

*Source: ADE Inventory based on CRIS*

Note: Côte d'Ivoire benefitted from EDF support for the "Réhabilitation agricole en zones élaïcoles et cotonnières de Côte d'Ivoire" (€7.8m) and Cameroon received Stabex support for the "Projet Pilote pour la mise en place de pépinières villageoises privées de palmier à huile" (budget unknown). Furthermore, the results of the online survey highlighted other beneficiary countries: Burundi, Papua New Guinea and the Republic of Guinea (budgets unknown)<sup>51</sup>. The fact that these interventions are not included in the CRIS inventory suggests a significant underestimation of EC support. This statement is also limits the accuracy of the other tables below on EC support to palm oil.

**Table 30: Commission support to palm oil per budget line**

Budget lines	Planned amount
DCI-FOOD	1,581,385
FED	70,465
Stabex	19,171,458
<b>Grand Total</b>	<b>20,823,307</b>

*Source: ADE Inventory based on CRIS*

<sup>51</sup> Furthermore, respondents from the survey in Ethiopia, Senegal and the Solomon Islands did not declare having support for palm oil.



**Table 31: Commission support to palm oil per Communication priority and country**

Support per priority and countries	Planned amount
<b>Priority 2 (Competitiveness)</b>	<b>1,651,850</b>
CONGO ( DEMOCRATIC REPUBLIC OF )	1,581,385
GHANA	70,465
<b>Priority 3 (Risk Management)</b>	<b>19,171,458</b>
ETHIOPIA	719,254
MAYOTTE	1,014,487
SENEGAL	2,454,318
SOLOMON ISLANDS	13,121,384
TOGO	1,828,958
WESTERN SAMOA	33,057
<b>Grand Total</b>	<b>20,823,307</b>

Source: ADE Inventory based on CRIS

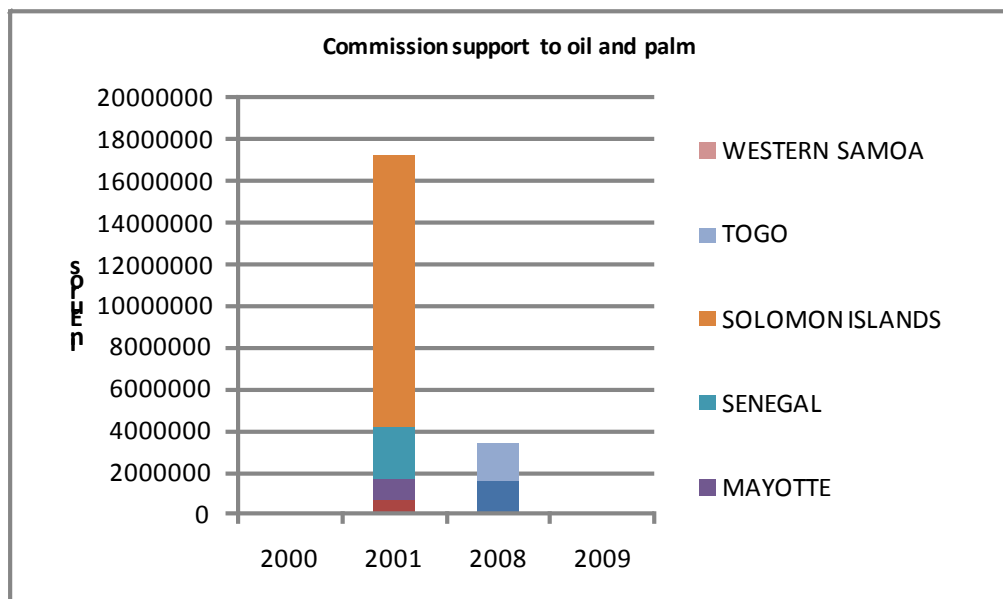
*Note: The amounts allocated from the Stabex funds are automatically ranked under Priority 3 (Risk management) but their actual use needs to be checked on a case-by-case basis.*

**Table 32: Commission support to palm oil per area of support**

Areas of support and countries	Planned amount
<b>Stabex</b>	<b>19,171,458</b>
ETHIOPIA	719,254
MAYOTTE	1,014,487
SENEGAL	2,454,318
SOLOMON ISLANDS	13,121,384
TOGO	1,828,958
WESTERN SAMOA	33,057
<b>Support to producer</b>	<b>70,465</b>
GHANA	70,465
<b>Value Chain</b>	<b>1,581,385</b>
CONGO ( DRC )	1,581,385
<b>Grand Total</b>	<b>20,823,307</b>

Source: ADE Inventory based on CRIS

**Graph 38: Evolution of contracted amounts per year per country, 2000-2009**



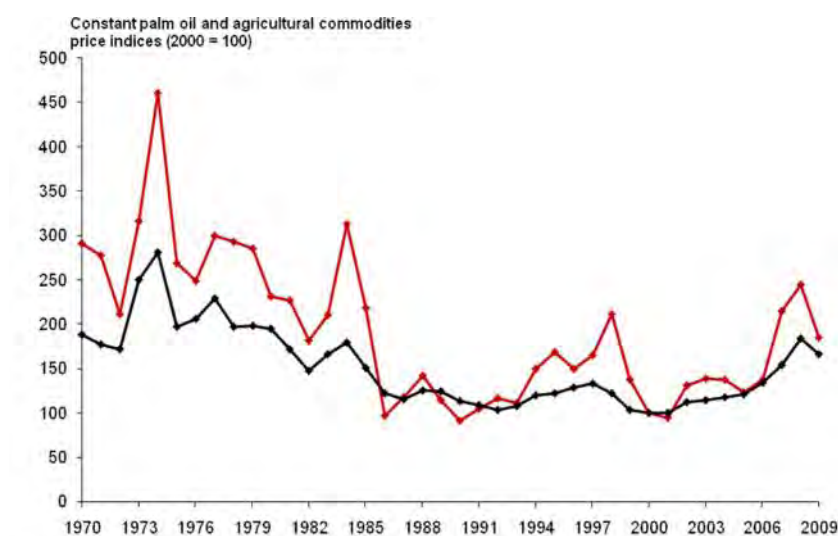
Source: ADE Inventory based on CRIS

## 2. Main characteristics of the sub-sector

### 2.1 Palm oil prices

The evolution of the palm oil world prices indexes since 1970 is represented on graph 38.

**Graph 39: Evolution of palm oil and agricultural commodities world price indices (year 2000 = 100)**



Source: World Bank, Commodity Price Data

Source: World Bank, commodity price data

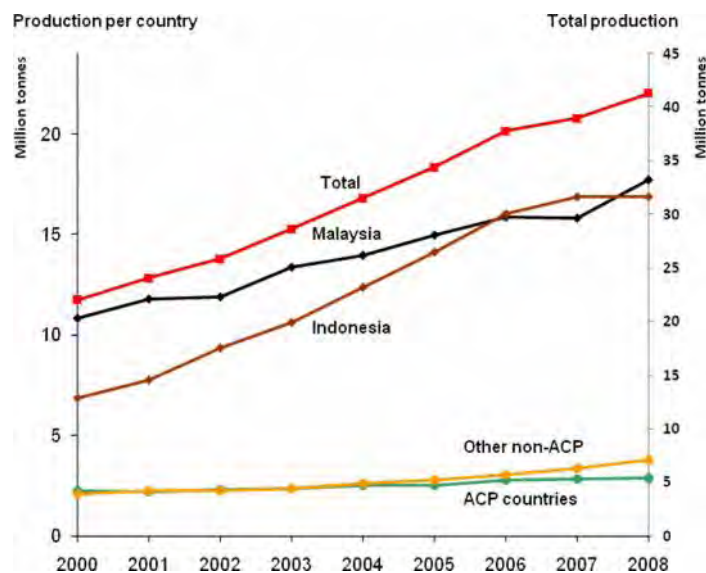
Palm oil prices have undergone a trend quite similar to the one of the agricultural commodities price index. The amplitude of the short term variability has however been more important for palm oil. In 2010, palm oil prices rose once again to reach a level close to the one of 2008 (the index went from 245 in 2008 to 184 in 2009 and back to 242 in 2010).

Over the recent years, vegetable oils (and palm oil in particular) have been used as a substitute for oil as biodiesel. The link between palm oil and fossil fuel prices has therefore been strengthened over the past decade<sup>52</sup>. Prices have also risen in the past due to climatic events in South-East Asia (e.g. El Nino) affecting the main oil palm producing areas but also in America where soybean, the other main vegetable oil, is most widely produced<sup>53</sup>.

## 2.2 Evolution of palm oil production

The main palm oil producers in the world are by far Malaysia and Indonesia (together, they represented 83% of world production in 2008). Their production has not only been much larger than that of other countries but it has also increased significantly over the past 10 years. The expansion of their production began at the end of the 1960s, when over 80% of the production area was located in Africa<sup>54</sup>. Palm oil production statistics throughout the past decade in key producing regions are represented on graphs 39 and 40 below.

**Graph 40: Palm oil production from 2000 to 2008**

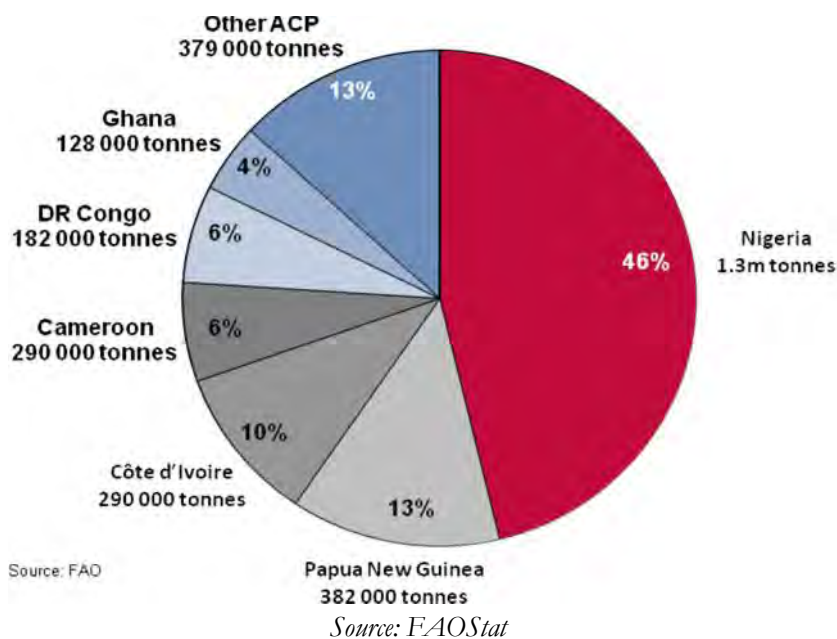


Source : FAOStat

<sup>52</sup> [http://siteresources.worldbank.org/INTGLBPROSPECTS/64218944-1106584665677/22478814/palmoil\\_EN.pdf](http://siteresources.worldbank.org/INTGLBPROSPECTS/64218944-1106584665677/22478814/palmoil_EN.pdf) online December 27th 2010

<sup>53</sup> <http://ageconsearch.umn.edu/bitstream/23621/1/aer529.pdf> online December 27th 2010

<sup>54</sup> [http://www.ipni.net/ppiweb/bcropint.nsf/\\$webindex/32EDD1030D2EEF5D852568F600558DE0/\\$file/i99-1p03.pdf](http://www.ipni.net/ppiweb/bcropint.nsf/$webindex/32EDD1030D2EEF5D852568F600558DE0/$file/i99-1p03.pdf) online December 28th 2010

**Graph 41: Shares of ACP palm oil production in 2008**

Over 70 percent of the production is traded internationally<sup>55</sup>. ACP countries (among which main producers are Nigeria, Papua New Guinea, Côte d'Ivoire, Cameroon, etc.) play a smaller role on the international level. Other non-ACP producers include Thailand, Colombia, Ecuador, Honduras, China, etc.

In Malaysia and Indonesia, large plantations coexist with smallholder farms which account for about 35% of the output and area planted. In West-African countries, smallholders produce up to 90% of the output. Whereas yields in large-scale plantations are generally high, predictable and highly linked to the current technology, smallholder yields show large variability<sup>56</sup>. Some analysts expect the domination by Malaysia and Indonesia to decline due to a lack of new land available to increase production. For investors, countries in Equatorial Africa could rapidly offer new growth possibilities for oil palm cultivation.<sup>57</sup>

Total production has been increasing since the 1960s and the growth has progressively slowed down in the past years. Yields have also increased worldwide as can be seen on table 27, comparing yields in the key producing countries.

<sup>55</sup> <http://ageconsearch.umn.edu/bitstream/23621/1/acr529.pdf> online December 27th 2010

<sup>56</sup> [http://www.fao.org/uploads/media/06\\_IIED\\_-\\_Towards\\_better\\_practice\\_in\\_smallholder\\_palm\\_oil\\_production\\_01.pdf](http://www.fao.org/uploads/media/06_IIED_-_Towards_better_practice_in_smallholder_palm_oil_production_01.pdf) online December 27th 2010

<sup>57</sup> Labey, A., 'Socio-économie des oléagineux en Afrique', OCL, Vol. 16 No. 4, July-December 2009. [http://www.john-libbey-eurotext.fr/fr/revues/agro\\_biotech/ocl/e-docs/00/04/52/3D/article.phtml](http://www.john-libbey-eurotext.fr/fr/revues/agro_biotech/ocl/e-docs/00/04/52/3D/article.phtml)

**Table 33: Evolution of palm oil yields between 1970 and 2007 (in T/ha)**

	Malaysia	Indonesia	Papua New Guinea	DR Congo	Nigeria	Cameroon
<b>1970-1979</b>	15.1	16.2	16.1	6.6	2.5	15.2
<b>1980-1989</b>	17.3	18.8	14.2	4.9	2.6	15.9
<b>1990-1999</b>	18.4	17.2	16.4	4.7	2.7	19.4
<b>2000-2008</b>	20.1	18.0	15.1	6.4	2.6	21.0

*Source: Adapted from FAOStat*

Yields have been rising steadily in Malaysia, have remained stable since the 1980s in Indonesia and have been stagnating in Papua New Guinea. Results vary in the main African countries. In the Democratic Republic of the Congo and Nigeria, yields have remained very low compared to Asia and show no sign of progress so far. In Cameroon however, yields have followed the same trend as Asian countries and are among the world's highest.

Overall, yields have stagnated in Africa while they increased strongly in Asia and America<sup>58</sup>.

### 2.3 Evolution of palm oil markets

The Malaysian Government has been very active in the palm oil sector over the years to encourage production and refining. It launched research programmes in partnership with private actors to develop high-yielding varieties, promote its products internationally and suit demands of the Western markets in terms of quality. This support is brought by providing or subsidising inputs, offering tax concessions to refineries and export tax remissions, financing research and promotion campaigns<sup>59</sup>.

In Indonesia, state plantations account for 15 percent of the country's crude palm oil output. Export taxes are applied by the government depending on the spot price in Rotterdam, Europe's vegetable oils market<sup>60</sup>. Smallholder producers in the country generally own a plot in a large company's plantation. They tend their own trees but depend on the company for inputs, sales and prices<sup>61</sup>.

Production in African countries combines a mix of small-scale producers, usually using inter-cropping techniques and selling to a small-scale mill supplying the local market and large estates, formerly owned by the Government and inherited from colonial times. Private owners took these plantations over during privatisation programmes over the years and a significant number of refineries have shut down<sup>62</sup>.

<sup>58</sup> [http://www.ipni.net/ppiweb/bcropint.nsf/\\$webindex/32EDD1030D2EEF5D852568F600558DE0/\\$file/i99-1p03.pdf](http://www.ipni.net/ppiweb/bcropint.nsf/$webindex/32EDD1030D2EEF5D852568F600558DE0/$file/i99-1p03.pdf) online December 28th 2010

<sup>59</sup> <http://www.cambridge.org/us/books/kiple/palmoil.htm> online December 28th 2010

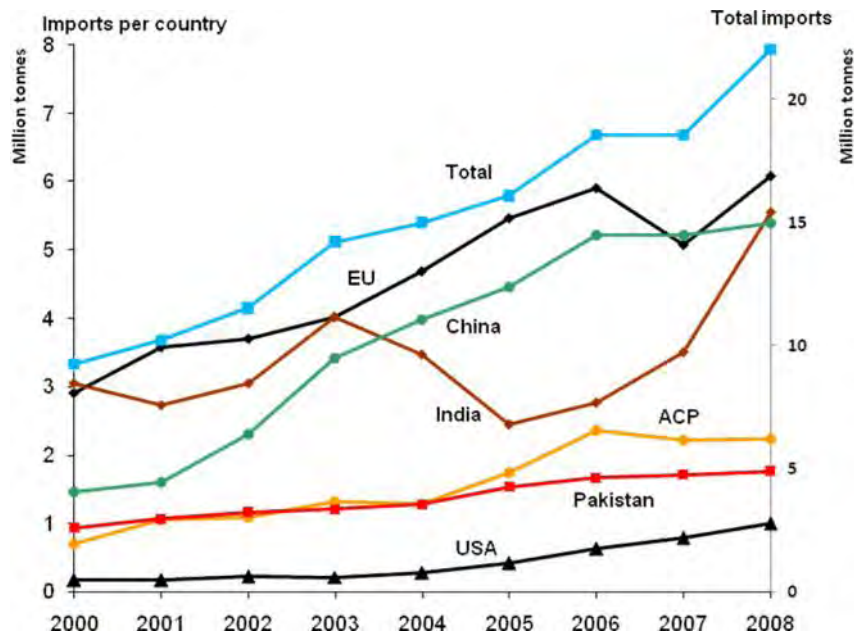
<sup>60</sup> <http://www.palmoilhq.com/PalmOilNews/indonesia-exchange-to-start-physical-crude-palm-oil-trade/> online December 28th 2010

<sup>61</sup> <http://www.scribd.com/doc/38523321/6/Oil-Palm-Plantation-Agriculture> online December 28th 2010

<sup>62</sup> <http://www.fao.org/docrep/005/y4355e/y4355e03.htm#TopOfPage> online December 28th 2010

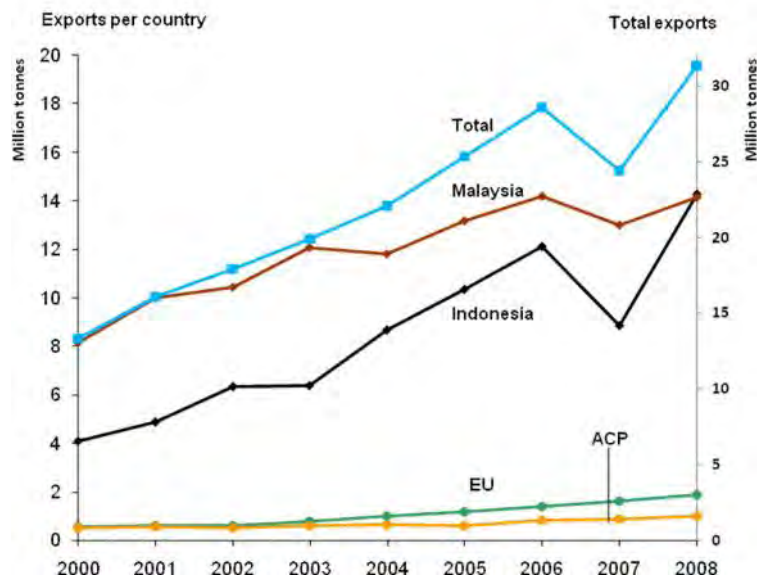
Trade has increased over the past decade, with imports increasing mainly in the EU, China and India (see graph 41 below). EU exports should be considered as re-exports of the same product. Net EU imports are therefore slightly lower. Exports are dominated by Indonesia and Malaysia which have been continually increasing their output (see graph 42).

**Graph 42: Palm oil imports from 2000 to 2008**



Source: FAOStat

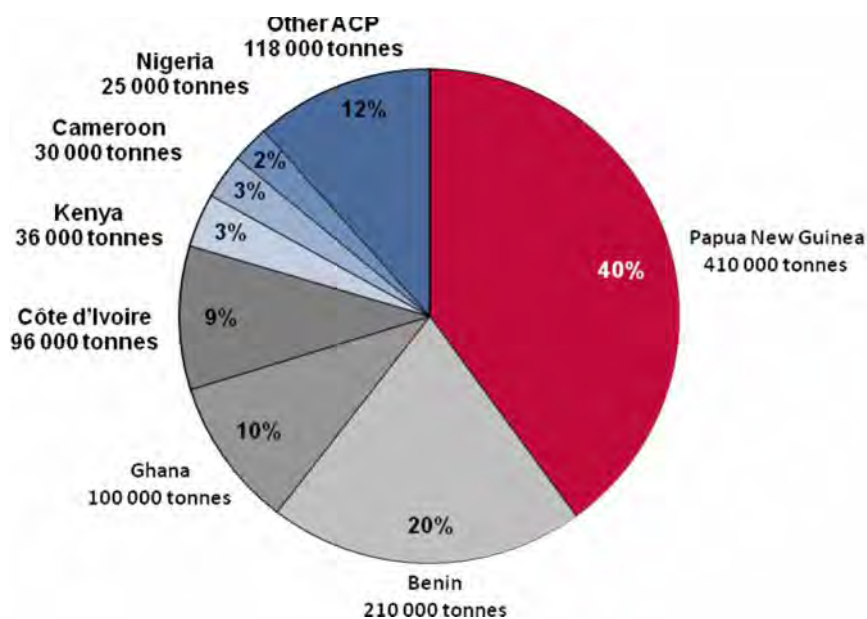
**Graph 43: Palm oil exports from 2000 to 2008**



Source: FAOStat

Although 80% of European imports come from Indonesia and Malaysia, Papua New Guinea provides for 10% of the EU market. European imports from the ACP countries have increased continuously in recent years. It is to be emphasised that Papua New Guinea thus exports almost all its palm oil production to Europe and is therefore the leading ACP supplier of oil products to the EU.<sup>63</sup>

**Graph 44: Shares of ACP palm oil exports in 2008**

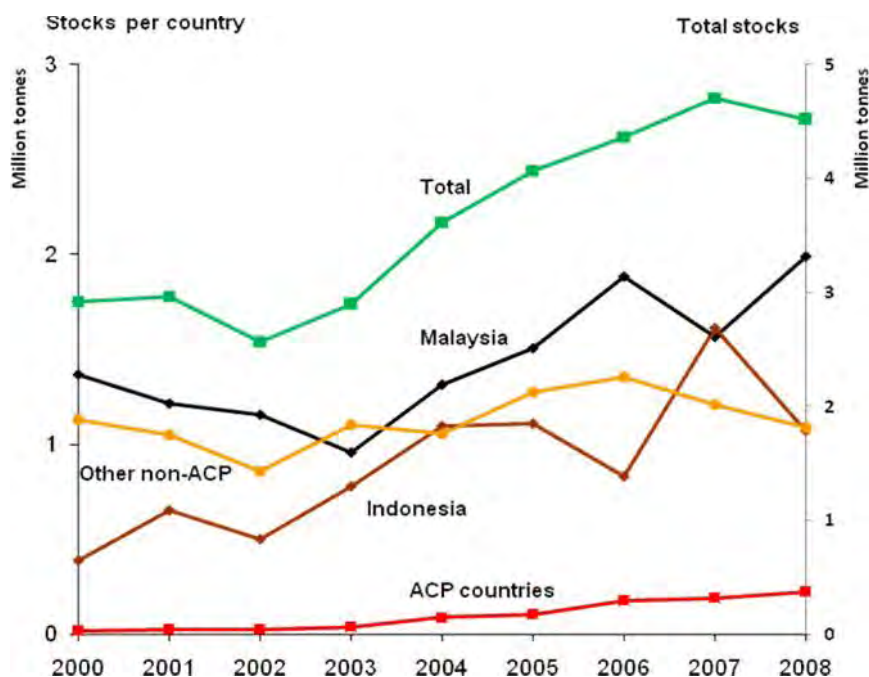


Source : FAOStat

World palm oil stocks are mainly held by the largest producers, Malaysia and Indonesia (graph 44). Total stocks have been increasing since 2002 to reach an actual level close to 3 million tonnes.

<sup>63</sup> <http://agritrade.cta.int/Agriculture/Commodities/Oil-crops/Oilseeds-Trade-issues-for-the-ACP> online September 19 2011

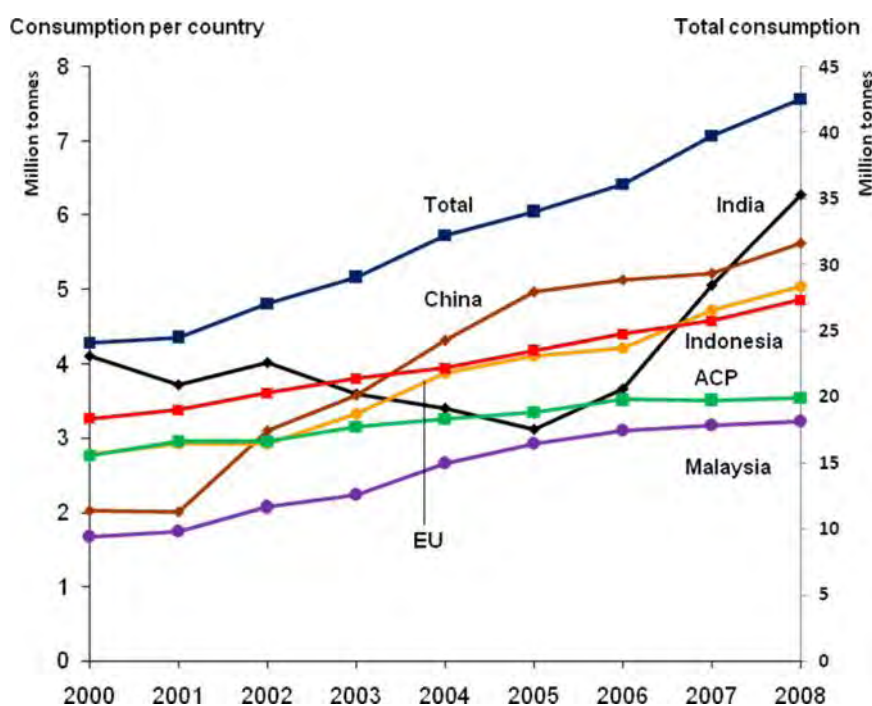
**Graph 45: Palm oil beginning-of-year stocks between 2000 and 2008**



Source: USDA Foreign Agriculture Service

The largest consumers of palm oil are the large Asian countries (India, China and Indonesia). The EU is also ranked among the top consumers. Consumption has been increasing steadily over the past decade (graph 46).

**Graph 46: Consumption of palm oil between 2000 and 2008**



Source : USDA Foreign Agricultural Service



## **2.4 Different marketing schemes within visited countries**

No information arose from the field phase regarding marketing schemes in visited countries.

## **2.5 Challenges related to the product identified in visited countries**

Although no country-specific information arose from the field visits, documentation has highlighted that in the ACP countries, the main oil producers are in West Africa (Nigeria and Côte d'Ivoire) and Papua New Guinea. Due to the absence of EU tariffs on oilseed and oil imports, ACP producers do not benefit from any preference on the European market, which was traditionally their main outlet. Papua New Guinea is the only ACP country which has succeeded in maintaining its place among the main suppliers of palm oil to the EU. Although West African countries were leaders on the palm-oil market in the 1950s and 1960s they are now almost totally absent from the market<sup>64</sup>. They produce for the domestic and regional markets.

## **3. Summary of the main findings arising from the desk and field analysis for the product**

### **3.1 Importance of palm oil in analysed countries**

Among visited countries, palm oil was only noted for its importance in Côte d'Ivoire (the country is among the world's top ten palm oil producers (*I.1.1.3*), however it was only the world's 16<sup>th</sup> exporter in 2008 according to FAOStat)

### **3.2 Commission overall support to palm oil**

According to the survey results, 7 of the 30 respondents from commodity exporting ACP countries have benefitted from Commission support to the palm oil sector (Burundi, Cameroon, Papua New Guinea, RD Congo, Togo, Ghana and the Republic of Guinea).

### **3.3 Support to palm oil strategies**

Although never in a 'palm oil dependency' context (which would be irrelevant in countries visited), there was evidence of Commission support to palm oil strategy design. In Central Africa, the AAACP intervention supported a study on the potential development of the palm oil chain (*I.2.1.3*). In Côte d'Ivoire, a Commission supported study identified the palm oil sector as having potential for development if supported (*I.2.2.1*).

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<sup>64</sup> <http://agritrade.cta.int/Agriculture/Commodities/Oil-crops/Oilseeds-Trade-issues-for-the-ACP>, online September 19 2011

### **3.4 Coordination of Commission support to palm oil**

There was one piece of information regarding the coordination of Commission support with other donors. In Côte d'Ivoire, there was evidence of the EUD consulting the GIZ regarding palm oil interventions in the country, and both countries working on a partnership for palm oil interventions (I.3.2.1).

### **3.5 Support to competitiveness of the palm oil sector**

There is evidence of the Commission providing support to the competitiveness of the palm oil sector in Cameroon and in Côte d'Ivoire.

In Cameroon, Stabex funds supported the production and dissemination of seedlings and nurseries through two projects ("*Projet pilote pour la mise en place de pépinières villageoises privées de palmier à huile*") and ("*Programme de développement rural du Moungo Nkam*") (I.4.2.2-3). The latter project also funded palm nut transformation units. Although the outputs are apparent, there is no measured impact on competitiveness of these interventions.

The support to the rehabilitation of palm oil production in Côte d'Ivoire has not provided any impacts, as the project is underway. It seems that other factors (difficulty for producers to purchase the seedlings, limited transformation capacities) could hamper the effectiveness of the intervention (I.4.2.3).

### **3.6 Commission support to risk management**

No analysed palm oil interventions addressed risk management.

### **3.7 Commission support to diversification**

The Commission supported studies in Côte d'Ivoire and in Central Africa in order to, among others, assess the possibilities to develop the palm oil value chain, as a form of diversification (I.6.1.2).

Palm oil interventions were, in the case of Cameroon, undertaken as part of rural development programmes which diversified possible sources of income. Indeed, these interventions took place in the regions affected by the decline of coffee and cocoa revenue in the 1990s (I.6.2.4).

### **3.8 Support to palm oil in line with other EU policies**

No information was found on the subject in the case of analysed countries

### **3.9 Different financing instruments in palm oil interventions**

No information was found on the subject in the case of analysed countries

### **3.10 Alignment with the beneficiaries' needs, priorities and with the COMs**

No information was found on the subject in the case of analysed countries

## **4. Overall assessment**

In the analysed cases, palm oil was not considered an export commodity destined for world markets. Commission support to palm oil in West and Central Africa has rather been done in a diversification perspective: studies on the possible development of the value chain, re-orientation of the sources of income, etc. Interventions were localised and no impacts on the national or sector-wide scale can be noted. Analysed palm oil projects were of small scale or part of broader programmes. It is however difficult to come to an overall assessment on EC support to palm oil based on such limited information.



## Palm Oil - Data collection grid

### EQ1 on the contextual background to the Commission's Communication relative to agricultural commodities

In what ways has the Commission reacted to the long term agricultural commodities price decline and volatility when supporting Commodity Dependent Developing Countries?	
<i>J.1.1</i>	<i>Commodity dependence characterises a majority of ACP countries</i>
<i>I.1.1.3</i>	Main agricultural commodities exported by ACPs (falling under the criterion of commodity dependence) over the last 10 years
<b>CI Palm oil</b>	L'agriculture ivoirienne est fortement centrée sur les cultures d'exportation. C'est ainsi que la Cote d'Ivoire est le premier producteur mondial de cacao, le premier exportateur africain d'hévéa et le troisième producteur mondial d'huile de palme et de café robusta. Le pays est aussi un exportateur de coton important. Les autres produits d'exportation sont la banane, l'ananas, l'anacarde, les mangues et les plantes ornementales. Les filières café-cacao fournissent, en valeur, les 2/3 du total des exportations agricoles, agroalimentaires et forestières, soit près de la moitié de l'ensemble des exportations ivoiriennes. De plus, elles contribuent à environ 30% des recettes de l'Etat sous la forme de taxes à l'exportation. (Source : CSP 2004-2007 p.17).

### EQ2 on the Commission's support in terms of agricultural commodity strategy development

To what extent has the Commission's support enabled the design of agricultural commodity strategies in commodity dependent ACP countries and regions?	
<i>J.2.1</i>	<i>The Commission has promoted commodity chains and addressing dependence as a priority in national strategies</i>
<i>I.2.1.1</i>	Evidence that the CDDC-EU policy dialogue has included the competitiveness or diversification of commodity sectors
<b>CM Palm oil</b>	Within the AAACP programme, the EU supported the development of a strategy for Cameroon's coffee sector for 2010-2015 (aimed on competitiveness). It also included a study to « <i>identify buyers, agro-enterprises, or small businesses operating in the oil palm and cassava and plantain sectors in Cameroon, Equatorial Guinea, and DRC that are interested in developing or upgrading their business model.</i> » Source : MN 405, AAACP action fiches
<i>I.2.1.3</i>	Evidence that Commission support contributed to enhance human and institutional capacity needed to design and ensure flexible and effective strategies
<b>Palm oil</b>	The AAACP programme in Cameroon also included a study to « <i>identify buyers, agro-enterprises, or small businesses operating in the oil palm and cassava and plantain sectors in Cameroon, Equatorial Guinea, and DRC that are interested in developing or upgrading their business model.</i> ». This action is intended to enable producers and buyers to « <i>participate more efficiently in sector strategies</i> » and to improve the market linkage relationship

	between them. (It has to be underlined that palm oil is not considered as a commodity but as a local product for national and regional market).
I.2.1.4	Evidence that the Commission promoted the participation of stakeholders, including representatives of producer/ farmer organisations, in the strategy design process and their effective engagement in the dialogue
Palm oil	The AAACP programme in Cameroon also included a study to « <i>identify buyers, agro-enterprises, or small businesses operating in the oil palm and cassava and plantain sectors in Cameroon, Equatorial Guinea, and DRC that are interested in developing or upgrading their business model</i> ». This action is intended to enable producers and buyers to « <i>participate more efficiently in sector strategies</i> » and to improve the market linkage relationship between them. (It has to be underlined that palm oil is not considered as a commodity but as a local product for the national and regional market).
I.2.1.5	Evidence that the Commission's initiatives were coordinated with MS and complementary to their interventions
CM	The EU supported strategy design for coffee, palm oil, cassava and plantains through the AAACP (which is a coordinated programme with other international organisations. However there is no information on whether this programme had contacts with MSs. <i>Source : AAACP action fiches</i>
J.2.2	<b><i>The Commission's support has stimulated the design of commodity strategies by CDDCs and their incorporation into national and regional development strategies</i></b>
I.2.2.1	Evidence that the Commission ensured the availability of diagnostics of the competitiveness of agricultural commodity value chains (Domestic Resource Cost studies)
Palm oil CI	Pas de référence directe aux études chaînes de valeur mais de nombreuses ont été menées dans le secteur agricole : Dans la partie sud du pays, l'étude de l'amélioration du peuplement végétal des cultures pérennes paysannes (BDPA, 2006) a permis d'identifier les secteurs de <b>l'hévéa et du palmier à huile</b> , comme des secteurs où il est possible d'accompagner des dynamiques socio-économiques existantes. ( <i>Source : Rider FA p.4 CI-REH</i> )

### EQ3 on the Commission's coordination with international organisations including ICBs

<b>To what extent has the Commission encouraged other international organisations including ICBs to adopt the Communications' approach to agricultural commodity chains?</b>	
J.3.2	<b><i>The Commission's interventions have been complementary to those of other donors in the field of agricultural commodities</i></b>
I.3.2.1	Synergies have been noted between interventions supported by the Commission with those supported by other donors
Palm oil	De façon plus spécifique, en ce qui concerne les appuis aux secteurs du palmier et d'hévéa, la Délégation a engagé une concertation avec la Coopération technique allemande (GTZ) qui conduit différents projets de développement rural et de protection environnementale dans le sud-ouest du pays (Programme de développement économique en milieu rural et Programme de conservation du Parc

	National de Tai). Dans le cadre de ce projet, il est ici prévu d'établir un partenariat formalisé entre la CE et la GTZ. (Source : Annexe II FA p.4 CI-REH)
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#### EQ 4 on the Commission's support in terms of competitiveness of agricultural commodity chains in CDDCs

To what extent has the Commission's support helped to improve the competitiveness of agricultural commodity chains in commodity dependent recipient countries?	
<b>J.4.2</b>	<b>Commission support has contributed to increase agricultural commodity production and lower the average cost of production and processing</b>
<b>I.4.2.1</b>	Commission support contributed to stimulate research (in the field of production factors and producer access to them, and labour productivity) and the dissemination of research results to producers/producer organisations
<b>Palm oil</b>	In Cameroon, the EC also supported (through Stabex funds) a programme that produced productive oil palm seedlings and disseminate them among farmers. The project lasted 5 years, from 1997 to 2002. In this context, palm oil is not to be considered as a commodity. Source : <i>Projet pilote pour la mise en place de pépinières villageoises privées de palmier à huile, rapport de fin d'exécution, mars 2003</i>
<b>I.4.2.2</b>	Commission support contributed to improve production factors and farmers access to them (e.g. extension services/agricultural techniques, water, fertilizers, seeds, energy)
<b>Palm oil</b>	In Cameroon, the EC also supported (through Stabex funds) a programme that produced productive oil palm seedlings and disseminate them among farmers. The project lasted 5 years, from 1997 to 2002. The programme resulted in the production of over 200,000 seedlings and a well organised organisation ensuring the perennity of the programme. Source : <i>Projet pilote pour la mise en place de pépinières villageoises privées de palmier à huile, rapport de fin d'exécution, mars 2003</i>
<b>I.4.2.3</b>	Commission support contributed to increase agricultural commodities crop yields, crop quality and quantity
<b>CM Palm oil</b>	In Cameroon, the EC also supported (through Stabex funds) a programme that produced productive oil palm seedlings and disseminate them among farmers. The project lasted 5 years, from 1997 to 2002. The impacts of the programme were naturally of long term nature and no further information is available. Le programme Mungo-Nkam (sur Stabex) au Cameroun a également financé des pépinières et des installations de transformation de noix de palme en huile. Source : <i>Projet pilote pour la mise en place de pépinières villageoises privées de palmier à huile, rapport de fin d'exécution, mars 2003 ; évaluation à mi-parcours du programme de développement rural du Moungo Nkam HTSPE, 2009</i>
<b>CI Palm oil</b>	<b>II) Palmier. Aucun impact n'est actuellement perceptible.</b> Les impacts probables dans le Bas-Sassandra sont les mêmes que l'hévéa, avec un CA par an et par ha de pépinière estimée à 11 200 000 FCA. Par contre, les plants n'étant pas subventionnés par l'AIPH pour l'instant, il est peu probable que l'impact sur le développement économique des petits planteurs soit visible. L'impact dans le Moyen Cavally risque d'être assez limité du fait de l'insuffisance de débouchés en termes de capacité de transformation sur place pour absorber 1 500 nouveaux ha en année 1, avec une augmentation annuelle. (Source : MR p.3 CI-REH)

<b>J.4.4</b>	<b><i>Incomes of producers, sector and countries have improved as a result of Commission's support to the implementation of commodity chain strategies</i></b>
<b>I.4.4.1</b>	Evidence of increased exports (volume and value) of agricultural commodities to regional and international markets, of which in particular the EU
<b>CM Palm oil</b>	<p>In Cameroon, the EC also supported (through Stabex funds) a programme that produced productive oil palm seedlings and disseminate them among farmers. The project lasted 5 years, from 1997 to 2002. The impacts of the programme were naturally of long term nature and no further information is available.</p> <p>Le programme Mungo-Nkam (sur Stabex) au Cameroun a également financé des pépinières et des installations de transformation de noix de palme en huile.</p> <p><i>Source : Projet pilote pour la mise en place de pépinières villageoises privées de palmier à huile, rapport de fin d'exécution, mars 2003 ; évaluation à mi-parcours du programme de développement rural du Moungo Nkam HTSPE, 2009</i></p>
<b>I.4.4.3</b>	<p>Evidence that income levels at producer level and within the agricultural sector as a whole have stabilised and increased through:</p> <ul style="list-style-type: none"> <li>▪ The increased competitiveness of the agricultural commodity production</li> <li>▪ A diversification of the sources of income of the agricultural sector through expansion of agricultural commodity value added</li> <li>▪ Higher export earnings</li> </ul>
<b>CI Palm oil</b>	<p><b>II) Palmier. Aucun impact n'est actuellement perceptible.</b> Les impacts probables dans le Bas-Sassandra sont les mêmes que l'hévéa, avec un CA par an et par ha de pépinière estimée à 11 200 000 FCA. Par contre, les plants n'étant pas subventionnés par l'AIPH pour l'instant, il est peu probable que l'impact sur le développement économique des petits planteurs soit visible. L'impact dans le Moyen Cavally risque d'être assez limité du fait de l'insuffisance de débouchés en termes de capacité de transformation sur place pour absorber 1 500 nouveaux ha en année 1, avec une augmentation annuelle. (<i>Source : MR p.3 CI-REH</i>)</p>

### EQ 5 on the Commission's support to risk management

<b>To what extent has the Commission's support contributed to protect agricultural commodity producers from income variability through risk management and/or social safety nets?</b>	
<b>J.5.2</b>	<b><i>Commission's support to agricultural commodities in CDDCs has included safety net issues in complement to commodity chain issues</i></b>
<b>I.5.2.1</b>	Evidence in strategy and programming documents that the support to specific agricultural commodities aimed at alleviating poverty
<b>Palm oil CI</b>	<p><b>Un des deux objectifs globaux est « Réduction de la pauvreté en milieu rural »</b> (<i>Source : Rider FA p.15 Cadre logique</i>)</p> <p><b>II) Palmier. Aucun impact n'est actuellement perceptible.</b> (<i>Source : MR p.3</i>)</p>




## EQ 6 on the Commission's support to diversification

To what extent has Commission support helped producers, the agricultural sector and commodity dependent ACP countries to successfully diversify around traditional products?	
<b>J.6.1</b>	<i>The Commission's support has facilitated the analysis of Government's policy choices aiming for diversification and growth</i>
<b>I.6.1.2</b>	Evidence that specific tools have been developed and continue to be used for supporting strategic choices (e.g. competitiveness evaluations of specific commodity chains)
<b>Palm oil</b>	Pas de référence directe aux études chaînes de valeur mais de nombreuses ont été menées dans le secteur agricole : Dans la partie sud du pays, l'étude de l'amélioration du peuplement végétal des cultures pérennes paysannes (BDPA, 2006) a permis d'identifier les secteurs de <b>l'hévéa et du palmier à huile</b> , comme des secteurs où il est possible d'accompagner des dynamiques socio-économiques existantes. (Source : Rider FA p.4 CI-REH)
<b>CM Palm oil</b>	Within the AAACP programme, the EU supported the development of a strategy for Cameroon's coffee sector for 2010-2015 (aimed on competitiveness). It also included a study to « <i>identify buyers, agro-enterprises, or small businesses operating in the oil palm and cassava and plantain sectors in Cameroon, Equatorial Guinea, and DRC that are interested in developing or upgrading their business model.</i> » Source : MN 405, AAACP action fiches
<b>I.6.2.4</b>	Evidence that support to diversification has been provided in coordination with other donors efforts in this area
<b>Palm oil</b>	En ce qui concerne les appuis aux secteurs du <b>palmier et d'hévéa</b> , la Délégation a engagé une concertation avec la Coopération technique allemande (GTZ) qui conduit différents projets de développement rural et de protection environnementale dans le sud-ouest du pays (Programme de développement économique en milieu rural et Programme de conservation du Parc National de Tai). Dans le cadre de ce projet, il est ici prévu d'établir un partenariat formalisé entre la CE et la GTZ. (Source : Annexe II FA p.4 CI-REH)
<b>CM Palm oil</b>	In Cameroon, the EC also supported (through Stabex funds) a programme that produced productive oil palm seedlings and disseminate them among farmers. The project lasted 5 years, from 1997 to 2002. Le programme Mungo-Nkam (sur Stabex) au Cameroun a également financé des pépinières et des installations de transformation de noix de palme en huile. These stabex programmes were part of rural development schemes for regions in decline of coffee and cocoa production. Source : <i>Projet pilote pour la mise en place de pépinières villageoises privées de palmier à huile, rapport de fin d'exécution, mars 2003 ; évaluation à mi-parcours du programme de développement rural du Mungo Nkam HTSPE, 2009</i>



# Rice - Product Fiche

## 0. Identification of the product

	<ul style="list-style-type: none"><li>▪ Rice</li><li>▪ <i>Oryza sativa</i></li></ul> <p>Rice as a cereal grain is the most important staple food for a large part of the world population. The grains can be used as a high energy complement for livestock. Rice can also be fermented to produce alcoholic beverages. Rice flour is a gluten-free ingredient for cereals, pasta or snacks and rice starch is also used in the food industry.</p> <p>Rice by-products and uses are the following: Rice millings and straw can serve as animal feed. Rice bran is used in cereals, mixes and vitamin concentrates. The oil extracted from rice bran can also be used as cooking oil. The rice hulls can be used as fuel, abrasive or packing material to pad fragile cargo. Ash from the hulls can be used to clean discoloured teeth or be turned into cellulose products like rice fuel. Pieces of kernels enter in manufacturing of various products including pet foods.</p>
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## 1. Commission support to the product

Commission support to rice over 2000-2009 has been as follows (in Euros):

**Table 34: Commission support to rice per country**

Countries	Planned amount
MALI	201,529
CONGO (DRC)	458,320
SOUTH AFRICA	622,200
MOZAMBIQUE	769,385
GUINEA (CONAKRY)	1,152,000
LIBERIA	1,293,029
SIERRA LEONE	1,357,974
MADAGASCAR	1,577,727
BENIN	7,413,028
CARIBBEAN REGION	22,418,527
<b>Grand Total</b>	<b>37,263,719</b>

*Source: ADE Inventory based on CRIS*

**Table 35: Commission support to rice per budget line**

Budget lines	Planned amount
Budget line for South Africa	622,200
FOOD	2,805,432
DCI-FOOD	5,936,031
FED	27,900,056
<b>Grand Total</b>	<b>37,263,719</b>

*Source: ADE Inventory based on CRIS*

**Table 36: Commission support to rice per Communication priority and country**

Support per priority and countries	Planned amount
<b>Priority 2 (Competitiveness)</b>	<b>36,727,866</b>
MALI	65,676
MOZAMBIQUE	369,385
CONGO ( DEMOCRATIC REPUBLIC OF )	458,320
SOUTH AFRICA	622,200
GUINEA ( CONAKRY )	1,152,000
LIBERIA	1,293,029
SIERRA LEONE	1,357,974
MADAGASCAR	1,577,727
BENIN	7,413,028
CARIBBEAN REGION	22,418,527
<b>Priority 5 (MTS)</b>	<b>400,000</b>
MOZAMBIQUE	400,000
<b>Priority 6 (CSR)</b>	<b>135,853</b>
MALI	135,853
<b>Grand Total</b>	<b>37,263,719</b>

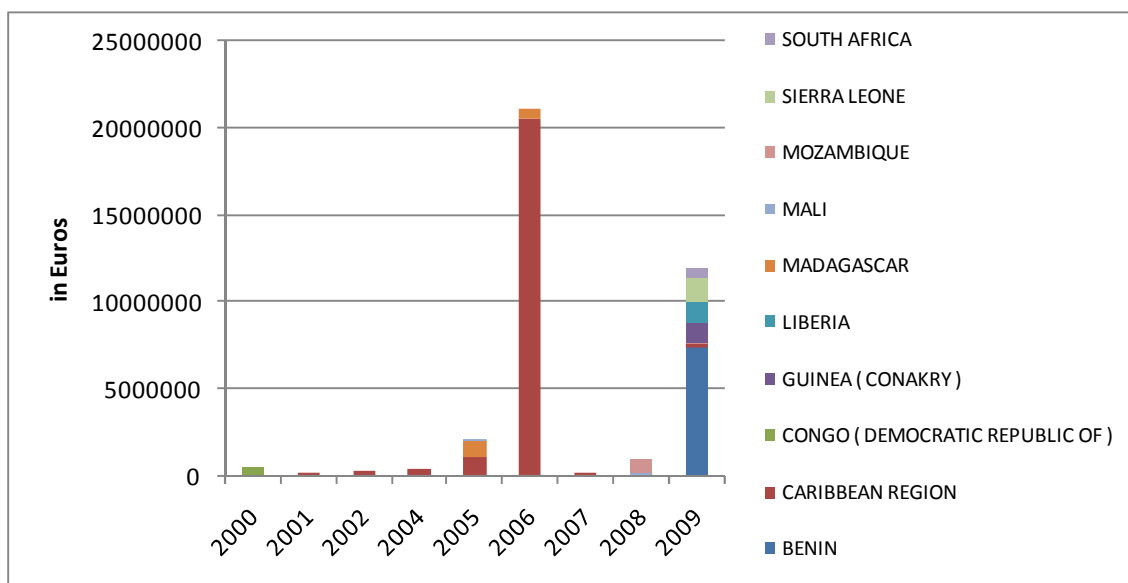
*Source: ADE Inventory based on CRIS*

**Table 37: Commission support to rice per area of support**

Areas of support and countries	Planned amount
<b>Environment/social</b>	<b>135,853</b>
MALI	135,853
<b>Farmer organisation</b>	<b>751,536</b>
CARIBBEAN REGION	751,536
<b>Infrastructure / Equipment</b>	<b>2,619,796</b>
CARIBBEAN REGION	2,619,796
<b>Other</b>	<b>106,310</b>
CARIBBEAN REGION	106,310
<b>Research / Study</b>	<b>1,058,213</b>
MALI	65,676
CARIBBEAN REGION	370,337
SOUTH AFRICA	622,200
<b>Support to producer</b>	<b>25,945,184</b>
CONGO ( DEMOCRATIC REPUBLIC OF )	458,320
MADAGASCAR	594,000
BENIN	6,322,316
CARIBBEAN REGION	18,570,548
<b>Trade</b>	<b>400,000</b>
MOZAMBIQUE	400,000
<b>Value Chain</b>	<b>6,246,827</b>
MOZAMBIQUE	369,385
MADAGASCAR	983,727
BENIN	1,090,712
GUINEA ( CONAKRY )	1,152,000
LIBERIA	1,293,029
SIERRA LEONE	1,357,974
<b>Grand Total</b>	<b>37,263,719</b>

*Source: ADE Inventory based on CRIS*

**Graph 47: Evolution of contracted amounts per year per country, 2000-2009**



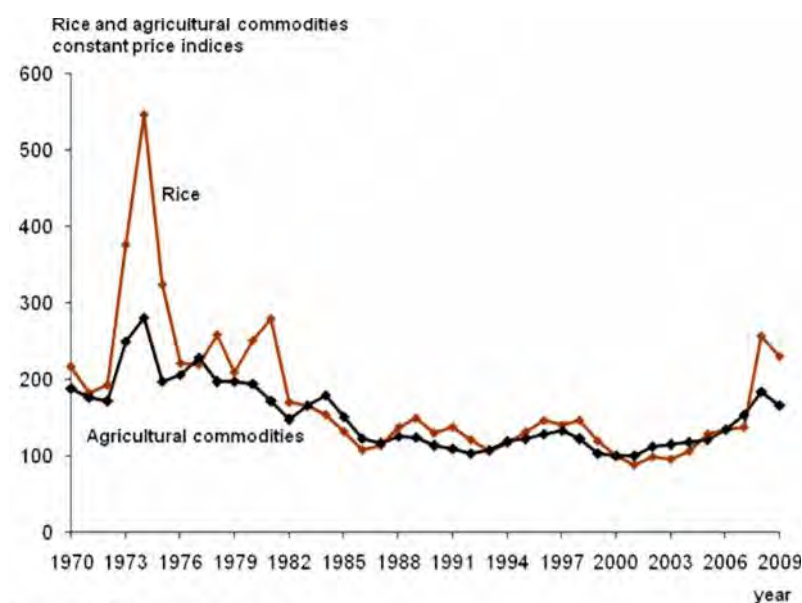
Source: ADE Inventory based on CRIS

## 2. Main characteristics of the sub-sector

### 2.1 Rice prices

The evolution of world price indices for rice and agricultural commodities since 1970 is represented on graph below.

**Graph 48: Evolution of rice and agricultural commodities world price indices (year 2000 = 100)**



Source: World Bank commodity price data

Source: World Bank, Commodity Price Data

Given the restricted nature of the rice markets (only 6 percent of produced rice is subject to international trade) the international prices of rice are very volatile compared to those of the other main staple crops (wheat and maize). The price surges are always higher for rice than for other agricultural commodities.

Prices have been characterized by a downward trend between 1982 and 2002. This has been attributed to high levels of stocks and exportable surpluses, mainly in Asian countries. Given the fact that a significant number of producing countries are close to self-sufficiency, they can be exporters or importers depending on the variations of their production volume and of the level of world prices.

The price volatility throughout the years is attributed to the high susceptibility of rice production to climate risks and to changes in trade policies by the main producing countries.

The price surge during the food crisis of 2007-2008 has been attributed to various factors: world population growth and increased demand for food, the increase of oil prices and its impact on increasing input costs and on diversion to biofuel production, declining stocks, financial speculation, export restriction policies, biofuel subsidies, natural disasters such as droughts in Australia, etc. Yet recent studies have showed that rice stocks were higher than in the years preceding the crisis and that production was on the rise. The price surge would therefore have been due to policies (such as export restrictions from India and Vietnam) rather than to market fundamentals.<sup>65</sup> In 2010, the world rice price decreased further by 12 percent (the index dropped from 229 in 2009 to 202 in 2010).

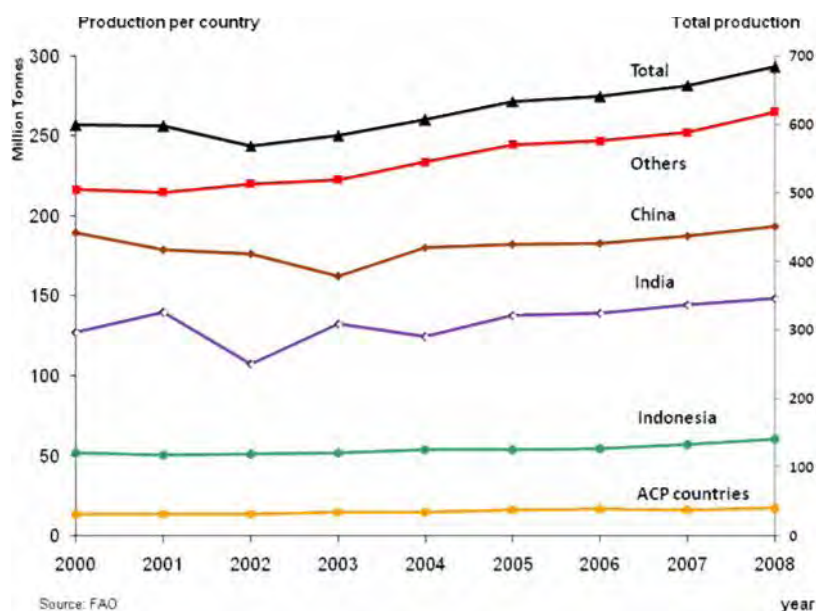
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<sup>65</sup> <http://agritrade.cta.int/index.php/en/Commodities/Rice-sector/Executive-brief> online July 19 2010

## 2.2 Evolution of rice production

Rice production is mainly located in Eastern Asia, with China and India as the world's largest producers followed by Indonesia, Bangladesh, Vietnam, Thailand and Myanmar. The evolution of annual paddy rice production is represented on graph below.

**Graph 49: Evolution of rice production between 2000 and 2008**



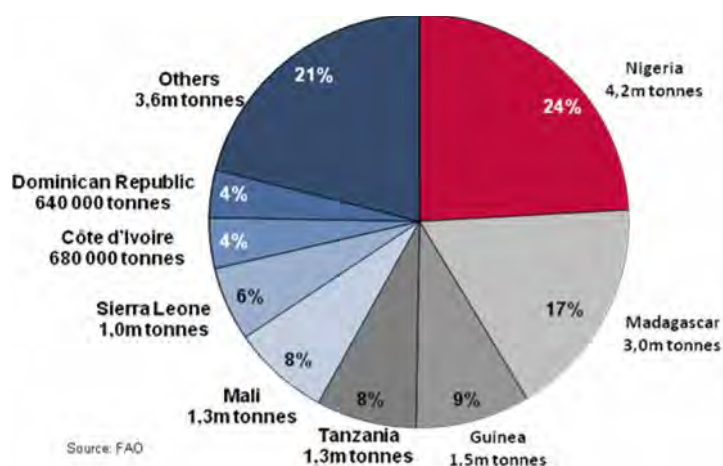
Source: FAOStat

From 2002 to 2008 total annual rice production has progressively increased from 569 to 685 million tonnes. The rise occurred mainly in the “other” countries (like Philippines, Cambodia, Brazil, Nigeria, etc.), which are not the major rice producers.

Together, China and India produced half of the world's rice in 2008. The share of ACP countries in total production was 3%. Among ACP countries, the shares of paddy rice production in 2008 are represented on the following graph.



**Graph 50: Shares of rice production among ACP countries in 2008 (Source: FAOStat)**



Nigeria and Madagascar were the main rice producers (24 and 17 percent of total ACP production respectively). Other big producers included Guinea, Tanzania, Mali, Sierra Leone, Côte d'Ivoire and the Dominican Republic. Other countries summed up to 21 percent of ACP rice production.

ACP production has been rising for the past years<sup>66</sup>. Yet the group of ACP countries is the largest rice importer in the world (32 percent of imports in 2009)<sup>67</sup>. Due to changes in tastes and consumption habits linked to important urban growth, the demand for rice has been increasing faster than supply in many African countries (except during the price surge of the 2008 food crisis<sup>68</sup>).

Rice production in ACP countries is thus for import substitution. Yields in these countries have not progressed as fast as elsewhere in the world as can be seen on table below, where the yields in three major ACP producing countries are compared with those of the world's two major producers, China and India.

**Table 38: Evolution of rice yields in kg/ha between 1970 and 2008 (Source: Adapted from FAOStat database)**

Year	Nigeria	Madagascar	Côte d'Ivoire	China	India
1970-79	1626	1841	1199	3585	1736
1980-89	2071	1845	1163	5058	2202
1990-99	1743	2103	1278	6004	2777
2000-08	1437	2385	1873	6275	3075

<sup>66</sup> Source : adapted from the FAOStat database <http://faostat.fao.org/site/567/default.aspx#ancor> online July 19 2010

<sup>67</sup> Source : USDA foreign agricultural service database <http://www.fas.usda.gov/psdonline/psdQuery.aspx> online July 19 2010

<sup>68</sup> Source : agritrade website <http://agritrade.cta.int/index.php/en/Commodities/Rice-sector/Executive-brief> online July 20 2010

Production systems vary across the world. As a very labour-intensive crop, rice is usually grown by smallholder farms in Asia and in Africa. Levels of inputs are quite different between the two continents, with Asian systems often using large or moderate scale irrigation systems and higher levels of inputs. In the rest of the world (Brazil, the USA, the EU, etc.) rice production systems are larger, irrigated and mechanized.

### 2.3 Evolution of rice markets

Rice markets are considered as thin, distorted, segmented and volatile. Even though public interventions have diminished during the liberalization policies of the late 1980s and 1990s, rice is one of the most protected commodities in both developing and developed countries. Most producing countries build up and draw from national stocks rather than resorting to trade.

The major Asian exporting countries (Thailand, Vietnam and India) operate different policies. The Thai government subsidizes exports and supports the domestic price through governmental purchases and buffer stocks. Vietnam has fixed minimum export and domestic prices. India, on the other hand, regularly uses export taxes or incentives, depending on the rice volume available on the domestic market.

The US (an exporter) and EU (an importer) rice policies are based on assisting producers whereas Japan intervenes in prices and rice imports. The very high Japanese tariffs and import policies practically isolate the Japanese rice market from the rest of the world.

African rice policies have undergone important changes. Until the 1980s, governments subsidized inputs and long term investments, implemented price interventions (as in Côte d'Ivoire and Senegal), distributed and marketed imports (as in Nigeria), purchased from producers and subsidized consumption (as in Madagascar)<sup>69</sup>. The structural adjustment plans of the end of 1980s and 1990s reduced state intervention in marketing and pricing<sup>70</sup>. Non-tariff barriers on rice trade are now abolished<sup>71</sup> and countries apply various tariffs on rice imports (e.g. 20 percent in Ghana to which a 12.5 percent VAT is added, 12 percent in Senegal and up to 110 percent in Nigeria).

It seems that domestic market protecting policies aren't sufficient to develop the African rice sector because of the poor performance of post-harvesting operations, adversely affecting the quality. Consumers are ready to pay a higher price for foreign higher quality rice. The development of the sector will therefore have to take this element into account as well<sup>72</sup>. Another limit is the poor market information of the farmers who also have low negotiation power facing the large buyers and traders.<sup>73</sup>

<sup>69</sup> Source: World Bank <http://www.worldbank.org/afr/wps/wp101.pdf> online July 20 2010

<sup>70</sup> WARDA presentation on west African rice policies [http://www.warda.org/africa-rice-congress/ppts/ARC\\_Day%20Economics/Akande.ppt](http://www.warda.org/africa-rice-congress/ppts/ARC_Day%20Economics/Akande.ppt) online July 19 2010

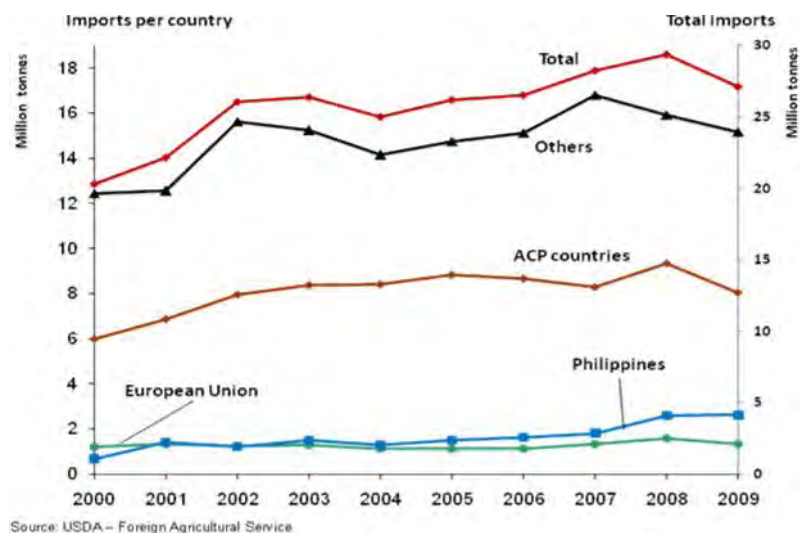
<sup>71</sup> <http://www.unep.ch/etu/etp/events/Agriculture/warda.pdf> online July 20 2010

<sup>72</sup> Lançon F., David Benz H. Rice imports in West Africa: trade regimes and food policy formulation. 2007 <http://ageconsearch.umn.edu/bitstream/7906/1/pp07la02.pdf> online July 20 2010

<sup>73</sup> Source: World Bank <http://www.worldbank.org/afr/wps/wp101.pdf> online July 20 2010

World rice trade over the past decade is represented in graphs below.

**Graph 51: Evolution of milled rice imports over 2000-2009 (Source: USDA Foreign Agricultural Service)**



Total imports of milled rice have increased from 20 to 29 million tonnes in 2008. The main increases of imports occurred in 2002 and in 2007-2008. The total level of imports dropped in 2009 to 27 million tonnes. ACP countries remained the world’s largest importer group in 2009, followed by the Philippines and the European Union. The “others” group is very large because rice is imported in relatively small quantities in a large number of countries. There are therefore few countries whose shares in global imports are important.

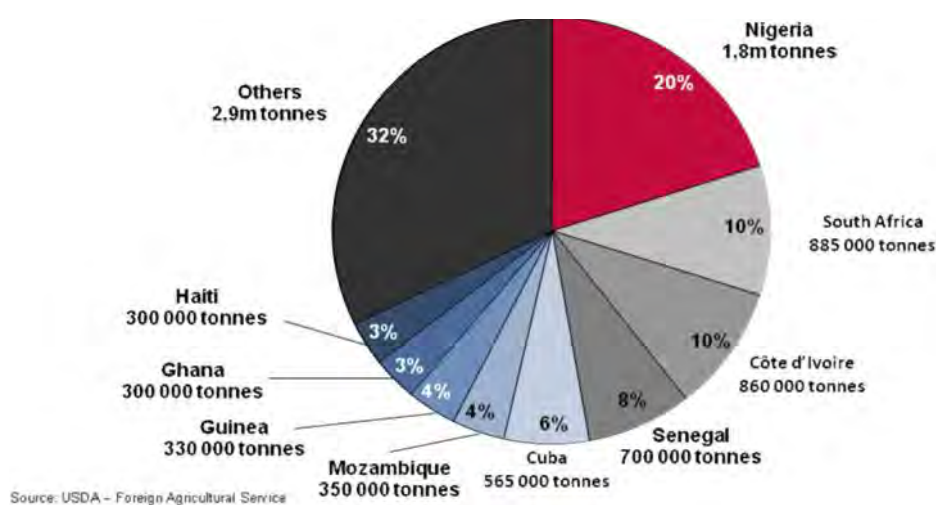
**Graph 52: Evolution of milled rice exports throughout 2000-2009 (Source: USDA Foreign Agricultural Service)**



The total milled rice exports have almost constantly increased (except for drops in 2004 and 2009). This relatively constant evolution contrasts with the evolution of exports per country. The latter have undergone important fluctuations, particularly in the case of Thailand and India.

The shares of imports among ACP countries are represented on graph below.

**Graph 53: Shares of milled rice imports among ACP countries in 2009**  
(Source: USDA Foreign agricultural Service)



In 2009, Nigeria was the main importer of milled rice among ACP countries (20 percent of ACP imports). South Africa and Côte d'Ivoire each counted for 10 percent of ACP imports. Other major importers were Senegal, Cuba, Mozambique, Guinea, Ghana and Haiti.

The European Union traditionally set a high intervention price on rice, accompanied by high tariffs and the build-up of large intervention stocks. Traditionally, the only two ACP countries exporting to the EU markets were Guyana and Suriname on the basis of quota-restricted reduced-tariff access. ACP rice production is generally destined to domestic or regional markets.

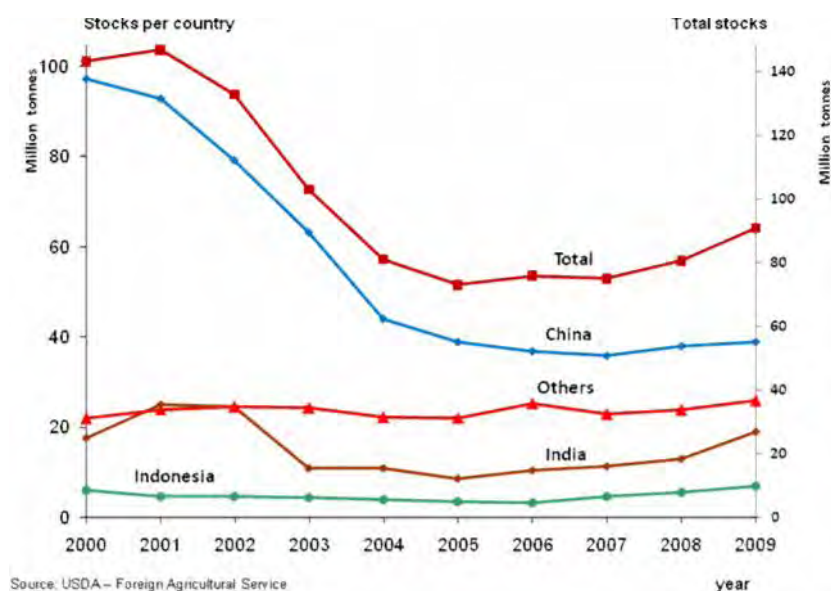
The signature of the Everything But Arms (EBA) regulation with the Least Developed Countries (LDCs) led to the 2003 reform of the rice sector. Since then, the intervention price has progressively decreased along with a tariff reduction and an expansion of tariff-quotas.

In October 2009, the EU introduced a duty-free quota-free access to European rice markets for all LDCs and ACP members.

Since the rice price surge of 2008-2009 (which has been mainly attributed to policies rather than market problems) however, European and world rice market prices have progressively converged. Therefore for exporters EU markets do not currently represent a much larger source of income than other world markets.

Graph below represents the levels of world stocks throughout the past decade.

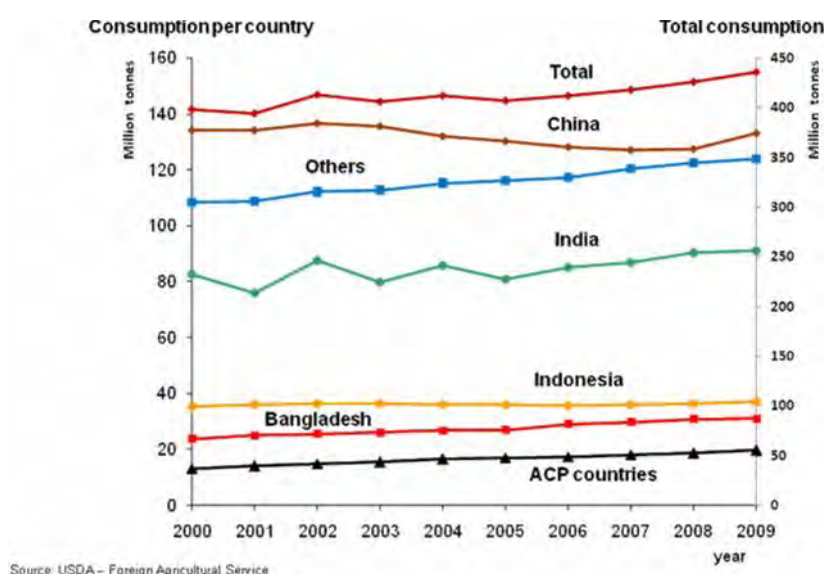
**Graph 54: Evolution of world rice stocks between 2000 and 2009 (Source: USDA Foreign Agricultural Service)**



The world milled rice ending stocks reduced by half during the 2000-2005 period primarily due to an important decrease of China’s ending stocks. After 2005, the stocks have progressively increased to reach a total of 89 million tonnes in 2009.

The evolution of consumption between 2000 and 2009 is represented on the following graph.

**Graph 55: Evolution of consumption between 2000 and 2009 (Source: USDA - Foreign Agricultural Service)**

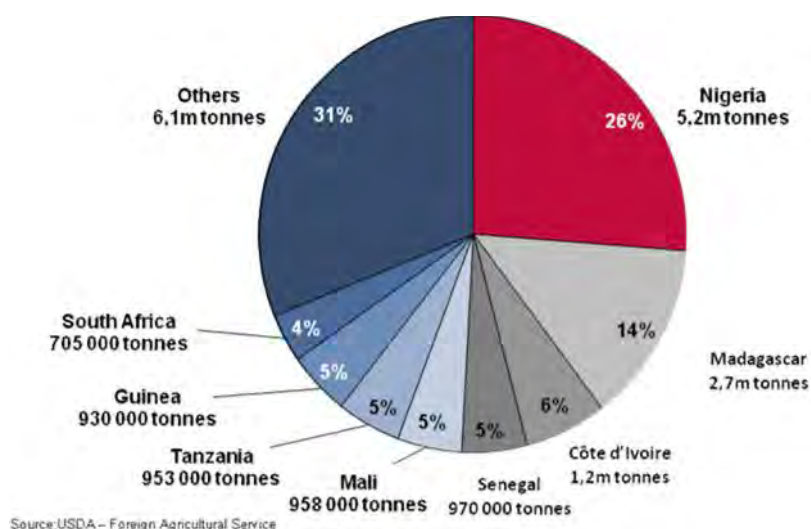


The total level of consumption of rice has increased during the 2000 to 2009 period and essentially in the countries which are not part of the main consumers. Except for China, consumption in the main consuming countries increased slightly. China and India remained by far the largest rice consuming countries (31 and 21 percent of world consumption respectively).

The share of ACP countries in the world's rice consumption was 5 percent in 2009 but has been constantly rising. Demand is expected to increase faster than supply after prices go back down. The key challenges for ACP countries are implementing the adequate policies to stimulate rice production and protecting it from important market price fluctuations while managing such a regime transparently<sup>74</sup>.

The breakdown of ACP milled rice consumption in 2009 can be viewed on the graph below.

**Graph 56: Shares of the ACP milled rice consumption in 2008 (Source: USDA - Foreign Agricultural Service)**



Nigeria and Madagascar were the main consumers (with 26 and 14 percent of the consumption respectively). Other important consuming countries had between 4 and 6 percent of total consumption.

## 2.4 Challenges identified in visited countries

In Madagascar the rice price on the retail market has sharply increased in 2004 and 2005 due to several internal and external factors (physical, monetary and political). At farm level, dependence on export commodities is limited; farmers primarily aim at ensuring their subsistence through the production of staple crops. Export commodities are side crops, which provide additional cash income.

<sup>74</sup> Source : Agritrade-CTA

### **3 Summary of the main findings arising from the desk and field analysis for the rice**

#### **3.1 Importance in analysed countries**

As mentioned above, rice markets are characterized by a restricted nature: only 6 percent of produced rice is subject to international trade. For instance, most of the Malagasy production (2 million tonnes) is for domestic consumption and the rice market in Madagascar is estimated at 700.000 tonnes of which 200.000 tonnes are imported. Moreover, there is a lot of informal regional trade regarding among other the rice that doesn't appear in the official statistics as was highlighted in Uganda (J.1.1).

#### **3.2 Commission overall support**

In the Caribbean, the Commission has supported the rice sector following the changes in EU's rice regime within the framework of the "Support to the competitiveness to the rice sector in the Caribbean" programme. The Commission monitored agricultural commodities price and market development and analysed the impact upon CDDCs. In particular, during the identification phase of the programme, a diagnostic study of the rice industry had been undertaken in 2001 and during the start-up phase of the programme a study into impact of changes in the EU's rice regime on the rice sector of ACP countries had been carried out in 2005 (J.1.4).

In Madagascar, the Food Security Line has strongly supported the rice sector in the chain organization, technical assistance and price observatory areas (J.6.1). In Ivory Coast, rice production has been supported to diversify the income of farmers (J.6.2). In Uganda, the Commission has supported a warehouses system in the framework of risk management (J.5.1). In Cameroon, the Commission has supported the increase of rice production (J.4.2) and the producers' organizations (J.4.3).

#### **3.3 Commission support to strategies**

The Commission has stimulated the design of a rice strategy in the Caribbean but the results are not achieved. Indeed, the rice programme aimed at promoting the design of rice strategies addressing challenges identified in diagnostic studies but has not achieved the expected result because of unclear design and lack of ownership (J.2.2).

#### **3.4 Commission support to competitiveness**

In the framework of the rice sector competitiveness, the Commission has supported the increase of rice production, compliance with market requirements and the producers' organizations with sometimes the view of increasing rice exports but the results are mixed in the countries/regions where the support was realized.

The Commission has supported the increase of rice production in the Caribbean and in Cameroon but the results seem to be mixed (J.4.2). Indeed, the rice programme in the Caribbean aimed at improving farmers access to seeds through the research and extension component, water supply and addressing water management problems, the provision of working capital to private sector operators through a financial facility and yields improvement. However, results are mixed and sometimes unclear. In Cameroon, the Logone-et-Chari rural development programme (which was funded through Stabex) rehabilitated 800 ha of rice fields, trained extension service workers, improved water management but although the impact on production was implicit, it was not specifically measured.

In the Caribbean the Commission has supported with mixed results (J.4.3) the rice marketing system and the strengthening of producers' organizations. The Commission programme in the Caribbean included a marketing component at regional level which aimed at supporting market expansion by developing promotion campaigns and by organising meetings, trade fairs, etc. as well as through the dissemination of rice marketing intelligence. Moreover, this programme aimed at integrating producers into associations, as did the rural development programme in Cameroon that organised and structured about 500 rural organisations in rice-growing regions.

The rice programme in the Caribbean also aimed at increasing rice exports but the impact of the programme on the industry's performance proved hard to assess given the existence of other support and the effects of changes in market conditions (J.4.4).

### **3.5 Commission support to risk management**

Regarding risk management, the Commission has supported a warehouses system in Uganda and financial facilities for the producers in the Caribbean (J.5.1).

In Uganda, the Commission support concerned the establishment of warehouses providing farmers with storage facilities to maintain the quality of the products, including paddy rice, to sort them according to quality standards, to make packaging, etc. in order to improve transparency and efficiency. This system was implemented with a commodity exchange where the receipts obtained at the warehouses could be traded. But a precondition is that the warehouses' network is completed and it also implies a confidence building process: it is thus not currently fully operational.

In the Caribbean, the programme aimed at improving the provision of working capital to private sector operators in the rice sector through a financial facility. This component was designed to provide financial support to producers for a short period of time (less than 2 years) and as such was not expected to have a durable impact on sector performance. As a result of the facility, interest rates offered by commercial banks have been lower but, considering risk factors associated with rice production, producers will probably continue to face difficulties in accessing affordable credit in the absence of a comprehensive package of support to the sector to reduce the risks involved.



### **3.6 Commission support to diversification**

In Madagascar, Stabex projects and the banana initiative have supported the diversification of exports commodities as an income complement to staple crops like rice and cassava but the results remained limited to the areas where these projects were implemented. In Ivory Coast, rice production has been supported in the North and the Center to diversify the income of farmers (J.6.2).

### **3.7 Cross-cutting issues in Commission support**

In the Caribbean, no specific activities in mainstream environment and/or gender were implemented although these elements are specified in the financial agreement of the rice programme (J.7.3).

### **3.8 Absorption and implementation capacities**

The “Support to the Competitiveness of the rice sector in the Caribbean” programme identification (diagnostic and feasibility studies) and formulation documents do not include a diagnostic of the institutional capacity of the implementing agencies. Absorption capacities have not been analysed in detail in the feasibility study. Additionally, there is no explicit reference in the financial agreement to the link between the chosen financing modalities and the absorption capacities (J.8.3).

In Madagascar, the structures involved in agricultural development have been supported through a budget support programme and the Food Security budget line has supported NGOs to strengthen the capacities of farmers’ organizations, two of which were involved in rice production (J.8.3).

### **3.9 Alignment with the beneficiaries’ needs, priorities and with the COMs**

The rice programme in the Caribbean is based on a diagnostic study and on a feasibility study which analysed the needs and challenges of the rice sector. However, the financial agreement does not detail how the intervention will address the country needs at macro-economic and commodity sector level although the feasibility study precisely identified the needs to which the intervention was supposed to respond. In Madagascar, where the Food Security Line has strongly supported the rice sector, the staple crops including rice are the priority of the government agricultural strategy (J.9.1).

In its section on the country background, the feasibility study of the Caribbean rice programme presented issues related to the legal and regulatory framework and the financial agreement made a minor reference to national policies with the objective to support governments in designing sector strategies. Nevertheless, the final evaluation stressed that the programme failed to achieve this expected result (J.9.2).

#### **4. Overall assessment**

Rice is specific in that only 6 percent of produced rice is subject to international trade. Given this restricted nature, the international prices are very volatile compared to those of the other main staple crops and the price surges are always higher for rice than for agricultural commodities. The Commission support is quite different depending on the countries/regions. In the Caribbean, the Commission has supported the competitiveness of the rice sector (in several areas) following the changes in EU's rice regime. In Madagascar, the Food Security Line has strongly supported the rice sector in the chain organization, technical assistance and price observatory areas. In Ivory Coast, the rice production has been supported in the North and the Center to diversify farmers' income sources. In Uganda, the Commission has supported a warehouses system in the framework of risk management. Finally, in Cameroon, the Commission has supported the increase of rice production and the producers' organizations.

## Rice - Data collection grid

### EQ1 on the contextual background to the Commission's Communication relative to agricultural commodities

<b>In what ways has the Commission reacted to the long term agricultural commodities price decline and volatility when supporting Commodity Dependent Developing Countries?</b>	
<b>J.1.1</b>	<b><i>Commodity dependence characterises a majority of ACP countries</i></b>
<b>I.1.1.2</b>	The evolution of the degree of commodity dependence of ACPs over time (15 years)
<b>MG</b>	<p>L'essentiel des 2.000.000 t de riz produites à Madagascar est autoconsommé, le marché ne représentant environ qu'un tiers de cette quantité soit 700.000 t dont 200.000 t de riz importé (estimation 1999).</p> <p><i>M.H.Dabat, Diagnostic du marché du riz à Madagascar en 2004 et début 2005</i></p>
<b>UG</b>	<p>Be careful with the criteria on commodities dependence. There is a lot of informal regional trade (rice, meat...) that doesn't appear in the official statistics. (Source: MN 301). At farm level, dependence on export commodities is limited. Farmers primarily aim at ensuring their subsistence through the production of staple crops. Export commodities are side crops, which provide a cash additional income (Source: MN 313).</p>
<b>J.1.2</b>	<b><i>Prices of agricultural commodities exported by ACPs have demonstrated a long-term declining trend and high volatility</i></b>
<b>I.1.2.2</b>	Price trend of CDDCs main agricultural commodities over the last 50 years
<b>Overall</b>	<p style="text-align: center;"><b>Evolution of rice world prices (in constant year 2000 US\$/tonne) and of the agricultural commodities world constant price index (year 2000 = 100)</b></p> <div style="text-align: center;"> <p style="font-size: small;">Source: World Bank commodity price data</p> </div> <p>Given the restricted nature of the rice markets (only 6 percent of produced rice is subject to international trade) the international prices of rice are very volatile</p>

	<p>compared to those of the other main staple crops (wheat and maize). The price surges are always higher for rice than for agricultural commodities.</p> <p><i>Source: Rice Product fiche (from World Bank Commodity Price Data)</i></p>
<b>I.1.2.3</b>	Product specific issues having affected individual products' prices over the last 10 years
<b>Overall</b>	<p>Given the restricted nature of the rice markets (only 6 percent of produced rice is subject to international trade) the international prices of rice are very volatile compared to those of the other main staple crops (wheat and maize). The price surges are always higher for rice than for agricultural commodities.</p> <p>Prices have been characterized by a downward trend between 1982 and 2002. This decrease has been attributed to high levels of stocks and exportable surpluses, mainly in Asian countries. Given the fact that a significant amount of producing countries is practically self-sufficient, they can be exporters or importers depending on the world prices.</p> <p>The price volatility throughout the years is attributed to the high susceptibility of rice production to climate risks and to changes in trade policies by the main producing countries.</p> <p>The price surge during the food crisis of 2007-2008 has been attributed to various factors (world population growth and increased demand for resource-intensive food, the increase of oil prices and its impact on increasing input costs and on diversion to biofuel production, declining stocks, financial speculation, export restriction policies, biofuel subsidies, natural disasters such as droughts in Australia, etc.) Yet recent studies have showed that rice stocks were higher than in the years preceding the crisis and that production was on the rise. The price surge would therefore have been due to policies (such as export restrictions from India and Vietnam) rather than to market fundamentals.</p> <p><i>Source: Rice product fiche</i></p>
<b>MG</b>	<p>La manifestation la plus visible de la situation du marché du riz en 2004 et début 2005 est une augmentation sans précédent sur plus de 10 ans des prix de détail.</p> <p>Les causes de cette crise sont une conjonction de plusieurs facteurs, internes et externes ; physiques, monétaires et politiques :</p> <ul style="list-style-type: none"> <li>• 2 cyclones début 2004 : pertes de récoltes rizicoles estimées à 150.000 ha (362.000 t de paddy / 250.000 t de riz),</li> <li>• Erosion du Franc malgache et inflation monétaire (l'US\$ s'échange contre 6.021 Fmg en décembre 2003, 11438 Fmg en juin 2004),</li> <li>• Renchérissement des importations de riz (le thaï25 est à 176 US\$/t FOB en moyenne 2003, 224 US\$ en juillet 2004 et 269 US\$ fin mars 2005) et du carburant,</li> <li>• Une mauvaise connaissance de la production et des besoins en riz, non spécifique à 2004, mais qui pourrait avoir joué l'effet d'amplificateur des facteurs précédents.</li> </ul> <p><i>M.H.Dabat, Diagnostic du marché du riz à Madagascar en 2004 et début 2005</i></p>

<b>J.1.3</b>	<b><i>The Commission has adapted its support to CDDCs to the constraints revealed by long term price decline and short term price volatility</i></b>
<b>I.1.3.1</b>	Evidence (reports, publications, internal notes) that the Commission has monitored agricultural commodities price and market developments and analysed their impact upon CDDCs
<b>CR</b>	<p>Within the framework of the “Support to the competitiveness to the rice sector in the Caribbean” programme, the Commission monitored agricultural commodities price and market development and analysed the impact upon CDDCs. In particular:</p> <ul style="list-style-type: none"> <li>▪ during the identification phase of the programme, a “Diagnostic study of the Cariforum rice industry” has been undertaken in 2001. The diagnostic study analysed the rice industry in Guyana, Trinidad &amp; Tobago, Jamaica, Belize, Dominican Republic and Suriname (production, milling, trade, services, policy framework), highlighted the main constraints and proposed recommendations. It has been followed by a feasibility study (3 volumes) which proposed three action plans: one for Guyana, one for Suriname and one for the region. It includes in each volume the trends of the rice industry, the assessment of the constraints, and a proposed action plan which includes details on the proposed intervention (objectives, components, budget, organisation).</li> <li>▪ during the start-up phase of the programme, a “Study into impact of changes in the EU’s rice regime on the rice sector of ACP countries” has been carried out (2005). It presented the evolution of the international rice market and of the EU Rice market and analysed the impact of the EU CMO and tariff reform on the ACP as well as the impact of different trade policy options on the ACP Rice.</li> </ul> <p><i>Sources:</i>  <i>Agrotec Spa, “Diagnostic Study of the CARIFORUM rice industry”, 2001</i>  <i>Agrotec Spa, Feasibility study of the CARIFORUM rice industry, 2003</i>  <i>ADE, “Study into impact of changes in the EU’s rice regime on the rice sector of ACP countries”, 2005</i></p>
<b>I.1.3.5</b>	Elaboration of an agricultural commodities strategy to support CDDCs
<b>MG</b>	<p>Il existe un grand nombre de documents de stratégies (globales et sectorielles) mais aucune ne concerne spécifiquement les produits agricoles d’exportation. En effet, la stratégie de développement agricole du gouvernement est actuellement fortement centrée sur les cultures vivrières (riz et manioc). Le développement des cultures d’exportation n’est pas la priorité (Source : MN 805).</p> <p>Au niveau régional, l’approche de la politique agricole appliquée par l’administration est globale mais peut également porter sur des produits d’exportation selon les régions mais sans qu’une stratégie soit clairement définie (Source : MN 808)</p>
<b>MG</b>	<p>En 2006 le Conseil des Ministres de la République Malgache a adopté le Plan National de Développement Rural (PNDR, révisé et actualisé en 2008, qui a été en 2007 décliné en 22 plans régionaux de développement rural.</p> <p>Le PNDR définit 5 orientations stratégiques, notamment Améliorer la sécurité alimentaire et augmenter la production et la transformation agricoles (orientation 3) et Développer les marchés et organiser les filières (Orientation 5)</p> <p>Le PNDR indique que « Le secteur agricole et de la pêche demeure un secteur majeur pour l’économie malgache dans les échanges commerciaux de Madagascar.</p> <p>Parmi les actions prévues par le PNDR, on relève notamment :</p> <p>« a) développer les filières et valoriser les produits</p>

	<p>Madagascar ne doit plus se limiter à la production de ses filières traditionnelles aussi bien pour les produits de consommation locale (riz, manioc, patate douce...) que pour l'exportation (vanille, café, pois du cap, poivre, girofle...). Les filières porteuses doivent considérer le marché régional, le maïs pour La Réunion, la pomme de terre pour Maurice, et le marché Européen où nos produits sont considérés de contre-saison tel le haricot vert. Mention particulière sera faite pour la production du coprah ou de l'huile de coco qui entre dans la fabrication des cosmétiques.</p> <p>b) promouvoir la diversification des produits</p> <p>La diversification porte sur la promotion de produits à haute valeur ajoutée. Ce sont des activités génératrices de revenu surtout pour les zones périphériques des grands centres urbains et touristiques ainsi que les produits d'exportation. »</p> <p>Au titre des moyens d'action, le PNDR prévoyait « la mise en place d'un Centre de Services Agricoles (CSA) au niveau des Districts, en vue :</p> <ul style="list-style-type: none"> <li>• D'établir une interface, un lien efficient dans l'échange et à l'accès à l'information/formation</li> <li>• De fournir des services de proximité de qualité aux organisations paysannes et aux exploitants agricoles.</li> </ul> <p>Le CSA a pour rôles et fonctions de :</p> <ul style="list-style-type: none"> <li>• Promouvoir la recherche développement agricole au niveau local en vue de répondre à la demande spécifique du monde rural</li> <li>• Constituer un relais d'information et de services technico-économiques pour les organisations des agriculteurs en relation directe avec les partenaires techniques publics, privés et ONG,</li> <li>• Assurer la capitalisation des acquis techniques et économiques</li> <li>• Faire la mise en relation avec les autres intervenants et prestataires de services</li> <li>• Appuyer le renforcement de la structuration des organisations paysannes à la base ainsi que de leurs fédérations par la formation de leurs leaders et ce, en vue de promouvoir la professionnalisation du métier d'« exploitant agricole »</li> <li>• Diffuser les informations techniques et économiques. »</li> </ul> <p>La Commission Européenne a financé la création des jusqu'à la suspension de son aide en 2010.</p> <p><i>Source : Programme National de Développement Rural</i></p>
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## EQ2 on the Commission's support in terms of agricultural commodity strategy development

<b>To what extent has the Commission's support enabled the design of agricultural commodity strategies in commodity dependent ACP countries and regions?</b>	
<b>J.2.1</b>	<i>The Commission has promoted commodity chains and addressing dependence as a priority in national strategies</i>
<b>MG</b>	<p>La stratégie agricole du Gouvernement est actuellement fortement centrée sur les cultures vivrières (riz et manioc). Le développement des cultures d'exportation n'est pas la priorité Au niveau régional l'administration de l'agriculture porte attention aux produits d'exportation mais sans stratégie clairement définie</p>

I.2.1.1	Evidence that the CDDC-EU policy dialogue has included the competitiveness or diversification of commodity sectors
MG	<p><u>Diversification : oui mais faible appropriation</u></p> <p>Dans le cadre de <u>Stabex</u> et de <u>l'instrument banane</u>, la Délégation a proposé une stratégie de diversification assez “simpliste” portant sur les épices, baie rose, palmier ornementaux et palmiers pour cœur de palmier, loni (plante médicinale utilisée dans les pays asiatiques) et sur les fruits (carambole, grenadelles,...). L'appropriation de cette stratégie par le gouvernement reste faible (Source : MN 801). En effet, la stratégie de développement agricole du gouvernement est actuellement fortement centrée sur les cultures vivrières (riz et manioc). Le développement des cultures d'exportation n'est pas la priorité (Source : MN 805). Toutefois, au niveau régional, l'approche de la politique agricole appliquée par l'administration est globale mais peut également porter sur des produits d'exportation selon les régions mais sans qu'une stratégie soit clairement définie (Source : MN 808)</p> <p><u>L'instrument banane</u> (spécifiquement consacré à la diversification) était prévu pour 1999-2008. Madagascar a seulement soumis une stratégie de diversification en 2001 avec un appui à partir de 2002. Les actions ont seulement démarré à partir de 2005 et ont été suspendues à partir de 2009. On comptabilise seulement 6 allocations annuelles au lieu de 10. (Source : MN 801).</p> <p><u>Compétitivité : oui</u></p> <p>Le Plan d'Action pour le Développement Rural (PADR) initié en 1997 et mis à jour en 2008 a été <u>très appuyé par l'UE à travers les programmes PASA</u>. Il est encore opérationnel et guide la politique agricole aujourd'hui. Dans la première version l'accent était mis sur le développement rural au sens large incluant éducation, santé, infrastructures. La deuxième version (confirmée en 2008) exclut éducation et santé et retient 5 axes : environnement favorable ; productivité ; infrastructures ; valorisation des ressources naturelles ; accès au marché. (Source : MN 805).</p>
I.2.1.2	Evidence that the Commission support encouraged the analysis of the sustainability, poverty implications and needs of commodity sectors as part of strategy development
MG	<p>Il y a à Madagascar abondance de documents de stratégie. Dans le domaine de l'agriculture et du développement rural on relève les documents suivants :</p> <ul style="list-style-type: none"> <li>• Lettre de politique de développement rural (2001, 2004)</li> <li>• Plan d'action pour le développement rural (2001)</li> <li>• Lettre de politique de développement de l'élevage (2003)</li> <li>• Politique de développement rizicole (2004)</li> <li>• Filière lait et politique laitière à Madagascar (2004)</li> <li>• Lettre de politique foncière (2005)</li> <li>• Lettre de politique de développement des bassins versants et périmètres irrigués (2006)</li> <li>• Stratégie nationale d'adaptation de la filière sucre à Madagascar (2006)</li> <li>• Lettre de politique de sécurité alimentaire (2006)</li> <li>• Stratégie nationale pour le développement de l'utilisation de l'engrais (2006)</li> <li>• Projet de lettre de politique de développement de la filière manioc (2009)</li> <li>• Plan d'action national pour la sécurité alimentaire – provisoire (2005)</li> <li>• Programmes régionaux de développement rural (2007)</li> </ul>

	<ul style="list-style-type: none"> <li>• Programme national de développement rural (2008)</li> <li>• Programme sectoriel agricole (2008)</li> <li>• Document de stratégie nationale semencière (2008)</li> <li>• Stratégie des services aux agriculteurs (2009)</li> <li>• Stratégie nationale de développement rizicole – provisoire (2010)</li> <li>• Stratégie nationale de formation agricole et rurale – provisoire (2010)</li> </ul> <p><i>Source : document de travail du Secrétariat Multi-bailleurs</i></p> <p>On notera qu'aucun de ces documents ne traite des filières d'exportation (mais le document de stratégie riz prévoit que la production pourrait s'accroître suffisamment pour alimenter un flux d'exportations).</p> <p>Par ailleurs, il n'y a pas d'évidence que ces documents de stratégie, s'ils ont pu orienter les interventions de la Commission et des autres bailleurs, aient eu une influence significative sur l'action du gouvernement.</p>
<b>MG</b>	<p>En 2006 le Conseil des Ministres de la République Malgache a adopté le Plan National de Développement Rural (PNDR, révisé et actualisé en 2008, qui a été en 2007 décliné en 22 plans régionaux de développement rural.</p> <p>Le PNDR définit 5 orientations stratégiques, notamment Améliorer la sécurité alimentaire et augmenter la production et la transformation agricoles (orientation 3) et Développer les marchés et organiser les filières (Orientation 5)</p> <p>Le PNDR indique que « Le secteur agricole et de la pêche demeure un secteur majeur pour l'économie malgache dans les échanges commerciaux de Madagascar. C'est ainsi que les différents accords auxquels Madagascar a adhéré constituent des portes ouvertes pour la prospection de nouveaux marchés d'autant plus que nos produits ont un avantage comparatif par rapport aux autres pays, avantage comparatif qui se traduit par le fait que:</p> <ul style="list-style-type: none"> <li>• La vanille, produit bio par essence, est très appréciée sur le marché mondial notamment aux Etats-Unis et en Europe, malgré la concurrence de l'essence de vanille synthétique ;</li> <li>• Le litchi, très prisé en Europe au cours des fêtes de fin d'année, constitue une opportunité pour notre production. D'autant plus que celle des autres pays n'arrive sur le marché international qu'à la mi-janvier pour l'Afrique du Sud et en juin pour les pays asiatiques ;</li> <li>• Nos produits horticoles (haricot vert) sont considérés comme des produits de contre-saison en Europe ;</li> <li>• La renommée historique de la qualité des épices de Madagascar ;</li> <li>• L'huile de coco, de par son caractère bio, est très recherchée pour la fabrication des produits cosmétiques ;</li> <li>• L'existence de marchés régionaux : possibilités d'exportation sur Maurice de l'ordre de 7000t/an de pomme de terre et sur les autres pays de l'Océan Indien (Comores, Seychelles, Réunion) ;</li> </ul> <p>Parmi les actions prévues par le PNDR, on relève notamment :</p> <p>« a) développer les filières et valoriser les produits</p> <p>Madagascar ne doit plus se limiter à la production de ses filières traditionnelles aussi bien pour les produits de consommation locale (riz, manioc, patate douce...) que pour l'exportation (vanille, café, pois du cap, poivre, girofle...). Les filières</p>



	<p>porteuses doivent considérer le marché régional, le maïs pour La Réunion, la pomme de terre pour Maurice, et le marché Européen où nos produits sont considérés de contre-saison tel le haricot vert. Mention particulière sera faite pour la production du coprah ou de l'huile de coco qui entre dans la fabrication des cosmétiques.</p> <p>b) promouvoir la diversification des produits</p> <p>La diversification porte sur la promotion de produits à haute valeur ajoutée. Ce sont des activités génératrices de revenu surtout pour les zones périphériques des grands centres urbains et touristiques ainsi que les produits d'exportation. »</p> <p>Au titre des moyens d'action, le PNDR prévoyait « la mise en place d'un Centre de Services Agricoles (CSA) au niveau des Districts, en vue :</p> <ul style="list-style-type: none"> <li>• D'établir une interface, un lien efficient dans l'échange et à l'accès à l'information/formation</li> <li>• De fournir des services de proximité de qualité aux organisations paysannes et aux exploitants agricoles.</li> </ul> <p>Le CSA a pour rôles et fonctions de :</p> <ul style="list-style-type: none"> <li>• Promouvoir la recherche développement agricole au niveau local en vue de répondre à la demande spécifique du monde rural</li> <li>• Constituer un relais d'information et de services technico-économiques pour les organisations des agriculteurs en relation directe avec les partenaires techniques publics, privés et ONG,</li> <li>• Assurer la capitalisation des acquis techniques et économiques</li> <li>• Faire la mise en relation avec les autres intervenants et prestataires de services</li> <li>• Appuyer le renforcement de la structuration des organisations paysannes à la base ainsi que de leurs fédérations par la formation de leurs leaders et ce, en vue de promouvoir la professionnalisation du métier d'« exploitant agricole »</li> <li>• Diffuser les informations techniques et économiques. »</li> </ul> <p>La Commission Européenne a financé la création des jusqu'à la suspension de son aide en 2010.</p> <p><i>Source : Programme National de Développement Rural</i></p>
<b>I.2.1.5</b>	Evidence that the Commission's initiatives were coordinated with MS and complementary to their interventions
<b>CR</b>	<p>There is no strong evidence of coordination and complementarity with EU MS interventions.</p> <ul style="list-style-type: none"> <li>▪ The Financing Agreement refers to the operations carried out by other EU MS (Guyana: DFID funds a programme on land tenure issues and the Italian government supports the maintenance equipment of the irrigation systems; Suriname: the Dutch government supports the development of a new Agriculture policy) and stresses that "<i>special care has been taken to ensure that this regional rice programme complements the efforts of other donor agencies as well as EU regional initiatives</i>". No further details or specific measures are provided in the FA.</li> <li>▪ The final evaluation does not mention specific coordination efforts undertaken during implementation and stakeholders interviewed confirmed that coordination with EU MS has not been a specific area of attention under this programme.</li> </ul>

	<p><i>Sources:</i>  <i>Financing Agreement between the European Commission and the Caribbean Forum of ACP States, Support to the Competitiveness of the rice sector in the Caribbean, November 2003, pages 5, 10;</i>  <i>SOGES Spa, End of programme evaluation of the programme: Support to the Competitiveness of the rice sector in the Caribbean, Final Report, Draft, 11 November 2009;</i>  <i>MN 700</i></p>
<b>I.2.1.6</b>	Evidence that the Commission coordinated its approach to national strategy development with other donors and international organisations
<b>CR</b>	<p>There is no strong evidence of coordination and complementarity with EU MS interventions.</p> <ul style="list-style-type: none"> <li>▪ The Financing Agreement refers to the operations carried out by other donors (Guyana: IDB supported the drainage and irrigation policy) and stresses that “special care has been taken to ensure that this regional rice programme complements the efforts of other donor agencies”. No further details or specific measures are provided in the FA.</li> <li>▪ The final evaluation does not mention specific coordination efforts undertaken during implementation and stakeholders interviewed confirmed that coordination with other donors has not been a specific area of attention under this programme.</li> </ul> <p><i>Sources:</i>  <i>Financing Agreement between the European Commission and the Caribbean Forum of ACP States, Support to the Competitiveness of the rice sector in the Caribbean, November 2003, pages 5, 10;</i>  <i>SOGES Spa, End of programme evaluation of the programme: Support to the Competitiveness of the rice sector in the Caribbean, Final Report, Draft, 11 November 2009;</i>  <i>MN 700</i></p>
<b>I.2.1.7</b>	National development strategies have integrated a strong consideration of the problems and issues surrounding agricultural commodity dependence and these problems and issues have been addressed in a cross-sectoral manner
<b>MG</b>	Non. Il existe un grand nombre de documents de stratégies (globales et sectorielles) mais aucune ne concerne spécifiquement les produits agricoles d'exportation. En effet, la stratégie de développement agricole du gouvernement est actuellement fortement centrée sur les cultures vivrières (riz et manioc). Le développement des cultures d'exportation n'est pas la priorité (Source : MN 805).
<b>MG</b>	<p>Bien après les rois de l'Imerina, tous les chefs d'Etat qui se sont succédé au pouvoir à Madagascar ont utilisé le riz pour consolider celui-ci. Ceux qui ont essayé de mettre au second plan le riz ont risqué leur pouvoir car cette céréale divine reste un marqueur culturel. En voici deux exemples : (i) mécontentement de la population de la capitale quand, sous la Deuxième République, pendant les grandes crises de produits de première nécessité, le président Ratsiraka proposa le remplacement du riz par d'autres produits ; (ii) mécontentement aussi quand son prédécesseur le président Tsiranana, a favorisé les cultures d'exportation (dont le café) et introduit d'autres cultures (dont le soja) ; il se rattrapa en concentrant les aides techniques sur la région rizicole du Lac Alaotra.</p> <p><i>M.H.Dabat, Diagnostic du marché du riz à Madagascar en 2004 et début 2005</i></p>

<b>J.2.2</b>	<b><i>The Commission's support has stimulated the design of commodity strategies by CDDCs and their incorporation into national and regional development strategies</i></b>
<b>I.2.2.1</b>	Evidence that the Commission ensured the availability of diagnostics of the competitiveness of agricultural commodity value chains (Domestic Resource Cost studies)
<b>CR</b>	<p>Within the framework of the “Support to the competitiveness to the rice sector in the Caribbean” programme, the Commission commissioned a “Diagnostic study of the Cariforum rice industry” during the identification phase of the programme in 2001. The diagnostic study analysed the rice industry in Guyana, Trinidad &amp; Tobago, Jamaica, Belize, Dominican Republic and Suriname (production, milling, trade, services, policy framework), highlighted the main constraints and proposed recommendations.</p> <p><i>Source: Agrotec Spa, “Diagnostic Study of the CARIFORUM rice industry”, 2001</i></p>
<b>I.2.2.2</b>	Evidence that the Commission promoted the design of commodity chain strategies addressing needs and challenges identified in diagnostics and taking account of important transversal and cross-sectoral issues (environment, gender, corporate responsibility including child labour and other social rights)
<b>CR</b>	<p>The “Support to the competitiveness to the rice sector in the Caribbean” programme aimed at promoting the design of rice strategies addressing challenges indentified in diagnostic studies but has not achieved the expected result because of unclear design and lack of ownership.</p> <p>During the identification phase of the programme, the Commission commissioned a “Diagnostic study of the CARIFORUM rice industry” (2001). For Suriname, the diagnostic stressed that policies for the rice sector “concentrate on the improvement of competitiveness and profitability of the rice farms and the processing plants”. It highlighted the “need for more vibrant sector’s policies: the lack of enforcement or weak sector’s policies are refraining the development of the sector”. It is recommended: “Stakeholders are requesting clearer sector’s policies and steady enforcement of those policy decisions taken in the past and not yet enforced. This refers to a policy for the management of irrigation/drainage infrastructures; payment of irrigation water by its users; privatisation of parastatals involved in the rice production and a more general streamlining of the industry’s structure. Unless these new, and long awaited, policies are put in place, any major investment into any rice production infrastructure (such as for drainage and irrigation purposes) would largely result into a waste of resources.” For Guyana, the diagnostic has not identified specific policy-related constraints. The Commission programme aimed at the adoption by the Government of Guyana and Suriname of national rice policies and strategies through technical assistance (FA). However, the final evaluation pointed out that the “FA has not clarified enough the context in which national rice strategies were to be developed and adopted” and that there was a lack of “ownership by the respective national governments”. In that context, the TA failed to achieve the expected result.</p> <p>The FA of the Commission programme also noted that the project would also “directly address environmental issues, especially in the research of alternative practices to the excessive use of chemicals in agriculture and of the destination of industrial wastes.” Moreover, it stresses that the “programme will positively impact on rural incomes, rural employment and women”. However, no specific activities in the Logframe mainstream environment and/or gender.</p>

	<p><i>Sources:</i>  <i>Agrotec Spa, "Diagnostic Study of the CARIFORUM rice industry", 2001, pages 117, 123</i>  <i>SOGES Spa, End of programme evaluation of the programme: Support to the Competitiveness of the rice sector in the Caribbean, Final Report, Draft, 11 November 2009, page 17</i>  <i>Financing Agreement between the European Commission and the Caribbean Forum of ACP States, Support to the Competitiveness of the rice sector in the Caribbean, November 2003, page 5</i></p>
<b>I.2.2.3</b>	Evidence that the Commission's support led countries to embed their national commodity strategies into their national development strategy and to include them at a regional level into regional strategies
<b>MG</b>	Il existe un grand nombre de documents de stratégies (globales et sectorielles) mais aucune ne concerne spécifiquement les produits agricoles d'exportation. En effet, la stratégie de développement agricole du gouvernement est actuellement fortement centrée sur les cultures vivrières (riz et manioc). Le développement des cultures d'exportation n'est pas la priorité (Source : MN 805).
<b>I.2.3.4</b>	Evidence that Commission initiatives were complementary to and created synergies with the initiatives of MS
<b>CR</b>	<p>There is no strong evidence of complementarity and synergies with EU MS interventions.</p> <ul style="list-style-type: none"> <li>▪ The Financing Agreement refers to the operations carried out by other EU MS (Guyana: DFID funds a programme on land tenure issues and the Italian government supports the maintenance equipment of the irrigation systems; Suriname: the Dutch government supports the development of a new Agriculture policy) and stresses that "<i>special care has been taken to ensure that this regional rice programme complements the efforts of other donor agencies as well as EU regional initiatives</i>". No further details or specific measures are provided in the FA.</li> <li>▪ The final evaluation does not mention complementarities and synergies with other EU MS interventions during implementation and stakeholders interviewed confirmed that coordination with EU MS has not been a specific area of attention under this programme.</li> </ul> <p><i>Sources:</i>  <i>Financing Agreement between the European Commission and the Caribbean Forum of ACP States, Support to the Competitiveness of the rice sector in the Caribbean, November 2003, pages 5, 10;</i>  <i>SOGES Spa, End of programme evaluation of the programme: Support to the Competitiveness of the rice sector in the Caribbean, Final Report, Draft, 11 November 2009;</i>  MN 700</p>

### EQ 4 on the Commission's support in terms of competitiveness of agricultural commodity chains in CDDCs

To what extent has the Commission's support helped to improve the competitiveness of agricultural commodity chains in commodity dependent recipient countries?	
<i>J.4.1</i>	<i>The Commission's cooperation programme has stimulated the creation of an environment conducive to increased competitiveness of agricultural commodity chains</i>
<b>I.4.1.1</b>	Evidence that the Government-Commission policy dialogue included specific measures in favour of agricultural business development and agricultural commodity exports based on identified needs and challenges
<b>MG</b>	<p>Non. La stratégie de développement agricole du gouvernement est actuellement fortement centrée sur les cultures vivrières (riz et manioc). Le développement des <u>cultures d'exportation</u> n'est pas la priorité (Source : MN 805).</p> <p>Toutefois, concernant le <u>développement de l'agro-business</u>, si le secteur privé n'était pas retenu dans les priorités du 9ème FED, il était prévu dans le 10ème FED au titre de la préparation de l'APE, avec un focus particulier sur le secteur agro-alimentaire (Source : MN 803).</p>
<b>I.4.1.3</b>	Evidence that EPA and WTO negotiations related to agricultural commodities have progressed and that results have been obtained for commodity dependent ACP countries
<b>UG</b>	<p>Negotiations started in 2002/03 in the framework of a very large geographic group. In 2005 Uganda (chair at that time) suggested negotiating within the narrower framework of the East African Community. Interim Agreement has been signed shortly before the deadline of end-2007. EU offered quota free tax free access to the European market except for some agricultural products (sugar and rice).</p> <p>Then three issues came up</p> <ul style="list-style-type: none"> <li>• Export taxes: some ESA (Eastern and Southern African) countries requested that all export taxes should be removed from the agreement; EC did not agree because this would lead to a lack of predictability;</li> <li>• MFN (Most favored nation) clause: EU demands that if an ESA country enters into an agreement with a third country (e.g. China or India) offering better conditions, the EU is granted the same conditions;</li> <li>• Development cooperation: ESA countries request development aid; EC says that this is included in the EDF envelope.</li> </ul> <p>The last negotiation meeting took place in June 2010. The EC proposed a fast track approach with the view of signing the agreement in September 2010, but this attempt failed. <u>Exclusion of agricultural products from the Agreement allows ESA countries to protect all their main commodities, and there is no restriction for them to exporting to the EU</u> (provided SPS (sanitary and phytosanitary) conditions are met). <u>Currently the trade negotiations are frozen but it is not a contentious matter</u>. It could become contentious if the agreement was not concluded in a reasonable time frame and if the EC retaliated through restrictions to access to the EU market. (Source : MN 302).</p>

<b>J.4.2</b>	<b><i>Commission support has contributed to increase agricultural commodity production and lower the average cost of production and processing</i></b>
<b>I.4.2.1</b>	Commission support contributed to stimulate research (in the field of production factors and producer access to them, and labour productivity) and the dissemination of research results to producers/producer organisations
<b>CR</b>	<p>The “Support to the competitiveness to the rice sector in the Caribbean” programme aimed at stimulating research. One of the components of the programme was directly targeting research and extension through the “<i>establishment of a global regional fund for activities in seed production, multiplication and certification, as well as training of the farmers on improved production techniques</i>”. The final evaluation of the programme noted that “<i>in 2006 it was decided that the R&amp;E component should be delivered via research grants to national institutions rather than regional ones.</i>” It further stressed that this component mainly focused on (i) the production of basic, certified seeds out of good lines, (ii) the establishment of cooperatives to produce and label the seeds, (iii) the introduction of Good Agricultural Practices (GAP) in fields and Good Manufacturing Practices (GMP) in the mills and on (iv) the investigation of innovative products out of rice biomass. As a result, seed production has been developed and farmers benefited from a better access to seeds. However, due to time and budget limitations, the objective to achieve a sustainable seed industry was not fully realised. Additionally, the actual quantitative impact of increased use of quality seed on milling yields is unclear. Seed and paddy yields increased slightly but not as substantially as expected and possible.</p> <p><i>Sources:</i>  <i>Financing Agreement between the European Commission and the Caribbean Forum of ACP States, Support to the Competitiveness of the rice sector in the Caribbean, December 2003, SOGES Spa, End of programme evaluation of the programme: Support to the Competitiveness of the rice sector in the Caribbean, Final Report, Draft, 11 November 2009; pages 20-23</i></p>
<b>I.4.2.2</b>	Commission support contributed to improve production factors and farmers access to them (e.g. extension services/agricultural techniques, water, fertilizers, seeds, energy)
<b>CM</b>	<p>In Cameroon, the Logone-et-Chari rural development programme (which was funded through Stabex) rehabilitated rice 800 ha of rice fields, trained extension service workers, improved water management and organised farmer communities.</p> <p><i>Source: Evaluation finale du programme de développement rural participatif dans le département du Logone-et-Chari, Rapport final, février 2007</i></p>
<b>CR</b>	<p>The “Support to the competitiveness to the rice sector in the Caribbean” programme aimed, among others, at improving (i) farmers access to seeds through the research and extension component, (ii) water supply and addressing water management problems, and (iii) the provision of working capital to private sector operators through a financial facility.</p> <p>The final evaluation notes the following results:  (i) increase in the production and use of improved seed. “<i>In Guyana, the total national usage of improved seed has gone up from 12% to 40%. But the actual impact of increased used of quality seed on milling yields is not clear. (...) In Suriname, the focus has been on quality seed for the small and middle sized farmers (because larger famers produce their own quality seed).</i>”</p>

	<p><i>While the paddy yields were slightly higher, there is no evidence whether the milling yields improved went up due to better quality seed and better quality paddy. Moreover, it is clear that after the end of the subsidies, no new farmers started seed production.”</i></p> <p>(ii) In Guyana: construction of sluices and rehabilitation of the Dawa Pump; improvement of water management but no development of a drainage and irrigation policy. In Suriname: budget limitations prevented the realisation of most planned activities; better water management in selected areas but no proper regular maintenance.</p> <p>(iii) lack of a comprehensive approach to this component : it should have encompassed, beyond more affordable interest rates, other de facto subsidies to farmers’ costs as well as more cost-effective marketing. Banks were not attracted to participate in the scheme. In Guyana the results have been limited while in Suriname the participating bank responded more positively.</p> <p><i>Sources:</i>  <i>Financing Agreement between the European Commission and the Caribbean Forum of ACP States, Support to the Competitiveness of the rice sector in the Caribbean, November 2003, SOGES Spa, End of programme evaluation of the programme: Support to the Competitiveness of the rice sector in the Caribbean, Final Report, Draft, 11 November 2009; pages 20-28</i></p>
<b>I.4.2.3</b>	Commission support contributed to increase agricultural commodities crop yields, crop quality and quantity
<b>CM</b>	<p>In Cameroon, the Logone-et-Chari rural development programme (which was funded through Stabex) rehabilitated rice 800 ha of rice fields, trained extension service workers, improved water management and organised farmer communities. The impact on production was implicit but not specifically measured.</p> <p><i>Source : Evaluation finale du programme de développement rural participatif dans le département du Logone-et-Chari, Rapport final, février 2007</i></p>
<b>CR</b>	<p>The “Support to the competitiveness to the rice sector in the Caribbean” programme aimed, among others, at improving yields. Two specific objectives of the programme were directly related to the improvement of yields: “Average rice yields reaches 4.5t/ha by 2007” and “Rice milling yield reaches 65/50 in 2007”. The final evaluation pointed out that the impact of the programme in terms of improved yields is unclear in both countries. <i>“In Guyana, the total national usage of improved seed has gone up from 12% to 40%. But the actual impact of increased used of quality seed on milling yields is not clear. (...) In Suriname, the focus has been on quality seed for the small and middle sized farmers (because larger famers produce their own quality seed). While the paddy yields were slightly higher, there is no evidence whether the milling yields improved went up due to better quality seed and better quality paddy. Moreover, it is clear that after the end of the subsidies, no new farmers started seed production.”</i></p> <p>Regarding the two specific objectives, the evaluation noted:  For “Average rice yields reaches 4.5t/ha by 2007”:  <i>“Both Guyana and Suriname have recorded the average rice yields of 4.6 tonnes / ha as of the end of 2007. Suriname was able to consistently improve its yields from 3.7 tonnes / ha in 2003 to an average of 4.6 tonnes / ha by the end of 2007 and Guyana has sown a average yield of 4.2 tonne per hectare in 2003/4 which was further increased to 4.6 tonnes / ha in 2006. The yields are expected to further increase with the expected improvement in water management and the implementation of the other components of TA and R&amp;E coming on stream.”</i></p>

	<p>For “Rice milling yield reaches 65/50 in 2007”:</p> <p><i>“Updated figures were not available to verify progress in milling yields. PMU data shows that milling yield in Guyana has been recorded consistently above 65 per cent whilst in Suriname this figure has shown a gradual increase from 53 per cent in 2003 to 58 per cent for 2006. However, there is scope for further improvement with regard to head rice yields. In Guyana, the head rice yield percentage has gradually improved from 45 per cent in 2003 to 48 per cent in 2006 and in Suriname the head rice yield has increased from a value of 38 per cent in 2003 to 45 per cent in 2006. As result the status in 2006 is 68/48 for Guyana and 58/45 for Suriname as compared to the targeted 65/50.”</i></p> <p><i>Sources:</i>  <i>Financing Agreement between the European Commission and the Caribbean Forum of ACP States, Support to the Competitiveness of the rice sector in the Caribbean, November 2003, SOGES Spa, End of programme evaluation of the programme: Support to the Competitiveness of the rice sector in the Caribbean, Final Report, Draft, 11 November 2009, pages 13-14, 20-23</i></p>
<b>I.4.2.4</b>	Commission support contributed to improve infrastructures (e.g. feeder roads) related to agricultural commodity production, collection and processing
<b>CR</b>	<p>The “Support to the competitiveness to the rice sector in the Caribbean” programme aimed, among others, at improving water supply and water management (which is one of the four components of the programme). The final evaluation noted overall that this component scored strongly on relevance and effectiveness in Guyana while the position was less satisfactory in Suriname mainly due to engineering design flaws in relation to the amounts available.</p> <ul style="list-style-type: none"> <li>▪ In Guyana: construction of sluices and rehabilitation of the Dawa Pump; improvement of water management but no development of a drainage and irrigation policy.</li> <li>▪ In Suriname: budget limitations prevented the realisation of most planned activities; better water management in selected areas but no proper regular maintenance.</li> </ul> <p><i>Sources:</i>  <i>Financing Agreement between the European Commission and the Caribbean Forum of ACP States, Support to the Competitiveness of the rice sector in the Caribbean, November 2003, SOGES Spa, End of programme evaluation of the programme: Support to the Competitiveness of the rice sector in the Caribbean, Final Report, Draft, 11 November 2009, pages 6, 23-28</i></p>
<b>J.4.3</b>	<b><i>Commission support has contributed to improve the capacity of producers to respond to commodity market requirements</i></b>
<b>I.4.3.1</b>	Commission support contributed to improve availability and use of market information and advisory services to producer organisations/producers (e.g. agricultural commodity prices, quality standards, packaging, timely delivery, etc.) at national and regional level
<b>CR</b>	<p>The “Support to the competitiveness to the rice sector in the Caribbean” programme included a marketing component at regional level which aimed at (i) supporting market promotion and expansion (mainly in the Caribbean and in South America) by developing promotion campaigns and by organising and attending meetings, trade fairs, etc. and at (ii) disseminating rice marketing intelligence.</p>



	<p>The final evaluation noted:</p> <ul style="list-style-type: none"> <li>▪ A design flaw in the sense that OVIs reflected marketing success (number of export contracts signed / exporters receiving information) qualified as unrealistic whereas the emphasis should have been put more on carrying out market and marketing studies;</li> <li>▪ Limited but useful impact in terms of awareness raising of the industry throughout the region.</li> </ul> <p><i>Sources:</i>  <i>Financing Agreement between the European Commission and the Caribbean Forum of ACP States, Support to the Competitiveness of the rice sector in the Caribbean, November 2003, SOGES Spa, End of programme evaluation of the programme: Support to the Competitiveness of the rice sector in the Caribbean, Final Report, Draft, 11 November 2009, pages 15-16</i></p>
<b>I.4.3.2</b>	Commission supported interventions contributed to an increased number of producers/ producer organisations having direct contracts with supermarket chains and/or are certified with a label
<b>CR</b>	<p>The “Support to the competitiveness of the rice sector in the Caribbean” aimed at integrating producers into associations. One of its expected results is: “Producers, millers and exporters integrated into effective and sustainable associations aiming the general benefit of rice operators.” The final evaluation noted that there is “little evidence of any success in organising producers and exporters into effective and sustainable associations. On the contrary, the one functioning millers’ association in Guyana (GRMEDA, established in 1992) has effectively ceased to function in recent years. Although the PMU reports appear to suggest that the establishment of water users’ associations (WUAs) in Guyana was somehow the result of Programme activity, support for the establishment of these was in fact the result of the IDB-funded Guyana Drainage and Irrigation Systems Rehabilitation Project. However, WUAs were legally established in Suriname as a result of the efforts of the Programme and have been able to deliver some useful support for the irrigation authorities, although they are a long way from being operationally sustainable.”</p> <p><i>Sources:</i>  <i>Financing Agreement between the European Commission and the Caribbean Forum of ACP States, Support to the Competitiveness of the rice sector in the Caribbean, November 2003, SOGES Spa, End of programme evaluation of the programme: Support to the Competitiveness of the rice sector in the Caribbean, Final Report, Draft, 11 November 2009, page 18</i></p>
<b>I.4.3.3</b>	Commission supported interventions contributed to an increased number of producers/ producer organisations being coordinated at national and regional levels
<b>CM</b>	<p>The Logone-et-Chari rural development programme (funded under Stabex) organised and structured about 500 rural organisations (much smaller than the national level) in rice-growing regions of Cameroon.</p> <p><i>Source: Evaluation finale du programme de développement rural participatif dans le département du Logone-et-Chari, Rapport final, février 2007</i></p>
<b>I.4.3.6</b>	Evidence that obtained results in terms of increased agricultural production and producers’ capacity to respond to commodity market requirements outlast Commission support
<b>CR</b>	<p>No such evidence in the evaluation of Caribbean RSP 2005</p> <p>Nevertheless, the evaluation report highlight that for interventions in support of</p>

	<p>the productive sectors sustainability needs to be assessed in terms of its viability after support has ended; in other words, whether the agriculture, bananas, sugar, rice, rum, tourism and other supported sectors are capable of undertaking sustainable and profitable engagement in domestic production and international trade. <u>For all these sectors long-term sustainability requires either a fundamental restructuring, the need for which was long predictable, or repositioning according to comparative advantage.</u> A general weakness of the approach to these sectors is that neither global restructuring, nor reorientation of resources in the context of global repositioning, have been effectively addressed, although these are stated objectives.</p> <p>Source: Evaluation of Caribbean RSP 2005</p>
<b>J.4.4</b>	<b><i>Incomes of producers, sector and countries have improved as a result of Commission's support to the implementation of commodity chain strategies</i></b>
<b>I.4.4.1</b>	Evidence of increased exports (volume and value) of agricultural commodities to regional and international markets, of which in particular the EU
<b>CR</b>	<p>The “Support to the competitiveness to the rice sector in the Caribbean” programme aimed at increasing rice exports. Two overall objectives of the programme were directly related to the increased exports: (i) “Rice trade increases by 30% in the Cariforum countries by 2009” and (ii) “Rice trade out of the Caribbean region increases by 20% by 2009”, and one specific objective : “Rice exports above 250,000t/year”.</p> <p>The final evaluation reported the following evidence of sector performance while it stressed that <i>“the impact of the programme on the industry’s performance is inevitably hard to determine given its limited scale, the existence of other support and the effects of changes in market conditions”</i>:</p> <ul style="list-style-type: none"> <li>▪ “Rice trade increases by 30% in the Cariforum countries by 2009”: <i>“In 2003, which is being used as the base period, 81,682 tonnes were exported to the region from both countries. Since then the overall exports to CARIFORUM countries have fluctuated based on the volume available for export and the price on the market. This indicator is achieved in 2007 with exports of 33,450 tonnes. The increase in the overall percentage of exports to the CARICOM market by the Caribbean rice industry was triggered by the increase in the applications for waiver of the CET because of claims that Guyana and Suriname are unable to satisfy the requests from importing countries like Jamaica. The rice importing countries of the region have indicated their commitment to purchase rice as first preference intra-regionally, providing there is some guarantee of supply on time and quality of product at a competitive price. The CARIFORUM countries have the potential to absorb all the rice being exported from Guyana and Suriname and any increase in production that may be envisaged.”</i></li> <li>▪ “Rice trade out of the Caribbean region increases by 20% by 2009”: <i>In 2003 160,699 metric tonnes were exported outside of the region. However, there have been significant decreases since then, showing a reduction of 10 per cent in 2004, 23 per cent in 2005 and 22 per cent in 2006. Increased prices on the world market have induced greater exports to Europe and this is expressed through an increase in volume of 11 per cent exported in 2007 to 178,839 tonnes. The European market is still considered to be a major market for which approximately 50 per cent of the rice exported from the region is destined. Since the regional market is underserved it is expected that there will be an increase in the volume of exports within the region and an accompanying decrease in exports to</i></li> </ul>

	<p><i>Europe over the long-term.”</i></p> <ul style="list-style-type: none"> <li>▪ “Rice exports above 250,000t/year”: “<i>Total rice exports from Guyana and Suriname in 2003 was 242,381 tonnes. This increased to 294,922 tonnes in 2004, to drop to 218,052 tonnes in 2005 and increase again to 236,393 in 2006. Exports for 2007 were 312,289, which show a significant increase of 28 per cent compared to 2003. This is far above the minimum standard of 250,000 tonnes. However, the fact that the volume of exports fell back to below this level again in 2008 demonstrates the difficulty of claiming such a gain as “permanent”.</i>”</li> </ul> <p><i>Sources:</i>  <i>Financing Agreement between the European Commission and the Caribbean Forum of ACP States, Support to the Competitiveness of the rice sector in the Caribbean, November 2003, SOGES Spa, End of programme evaluation of the programme: Support to the Competitiveness of the rice sector in the Caribbean, Final Report, Draft, 11 November 2009, pages 12-14</i></p>
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### EQ 5 on the Commission’s support to risk management

<p>To what extent has the Commission's support contributed to protect agricultural commodity producers from income variability through risk management and/or social safety nets?</p>	
<p><b>J.5.1</b></p>	<p><i>Commission support has contributed to the development and implementation of risk management and compensatory tools</i></p>
<p><b>I.5.1.3</b></p>	<p>Evidence that the shock management and/or compensatory tools developed by the Commission added value compared to already existing tools</p>
<p><b>UG</b></p>	<p>There are in Uganda a very large number of small farmers and a few big operators/exporters. Middlemen (significant number) are the link between farmers and big operators. Prices of agricultural goods vary very much during the year with their lowest level during the harvest season. The idea was to <b>establish warehouses</b> providing farmers with storage facilities well equipped which cannot be installed at the household level to maintain the quality of the products, to sort them according to quality standards, to make packaging, etc. in order to improve transparency and efficiency.</p> <p>In 2004, the EC financed a large feasibility study. A law regulating the system was adopted in 2005/06. In 2005, the EU adopted the recommendations of the feasibility study: <b>warehouses + commodity exchange</b>. The project should have its two components operational after 3 years. The EU committed €4 million: €1 million for international expertise (technical assistance) and €3 million to build 10 warehouses and support the establishment of the Uganda Commodity Exchange.</p> <p>To date (after 4 years): <b>4 fully operational warehouses</b> (against the planned number of 10). One bank is providing credit to farmers against guarantee by warehouse receipts. The World Food Programme buys from the warehouse. Sites identified for additional warehouses. Assumption: the private sector would invest in establishing warehouses.</p> <p><b>Commodity exchange</b> (transparent system): the receipts could be traded. But a precondition is that warehouses network is completed. It also implies a confidence building process. It is not currently fully operational.</p> <p><b>Interest rate of credit</b> against guarantee by warehouse receipts: 2% per month. It is a high level of interest but can be compensated by the inter-annual price fluctuations. To the interest rate one must add the warehouses charges. It is not sure</p>

	<p>that the operation is beneficial.</p> <p>Three main products are stored: maize, beans, paddy rice, which are staple foods grown throughout the country. Are also considered sorgho and millet, and possibly cotton and coffee.</p> <p>(Source: MN 302)</p>
<b>I.5.1.7</b>	Evidence that the Commission's support was undertaken in coordination with that of other donors
<b>CR</b>	<p>There is no strong evidence of coordination with other donors interventions.</p> <ul style="list-style-type: none"> <li>▪ The Financing Agreement refers to the operations carried out by other donors (Guyana: IDB supported the drainage and irrigation policy) and stresses that “special care has been taken to ensure that this regional rice programme complements the efforts of other donor agencies”. No further details or specific measures are provided in the FA.</li> <li>▪ The final evaluation does not mention specific coordination efforts undertaken during implementation and stakeholders interviewed confirmed that coordination with other donors has not been a specific area of attention under this programme.</li> </ul> <p><i>Sources:</i>  <i>Financing Agreement between the European Commission and the Caribbean Forum of ACP States, Support to the Competitiveness of the rice sector in the Caribbean, November 2003, pages 5, 10;</i>  <i>SOGES Spa, End of programme evaluation of the programme: Support to the Competitiveness of the rice sector in the Caribbean, Final Report, Draft, 11 November 2009;</i>  <i>MN 700</i></p>
<b>I.5.1.8</b>	Evidence that the tools developed remain used and that their financial sustainability is ensured without further Commission support
<b>CR</b>	<p>The “Support to the competitiveness to the rice sector in the Caribbean” programme aimed at improving the provision of working capital to private sector operators in the rice sector through a financial facility. The final evaluation notes the following regarding sustainability. This component was designed to provide financial support to producers for a short period of time (less than 2 years) and as such was not expected to have a durable impact on sector performance. As a result of the facility, interest rates offered by commercial banks have been lower but, considering risk factors associated with rice production, producers will probably continue to face difficulties in accessing affordable credit in the absence of a comprehensive package of support to the sector to reduce the risks involved.</p> <p><i>Sources:</i>  <i>Financing Agreement between the European Commission and the Caribbean Forum of ACP States, Support to the Competitiveness of the rice sector in the Caribbean, November 2003,</i>  <i>SOGES Spa, End of programme evaluation of the programme: Support to the Competitiveness of the rice sector in the Caribbean, Final Report, Draft, 11 November 2009, page 28</i></p>

## EQ 6 on the Commission's support to diversification

To what extent has Commission support helped producers, the agricultural sector and commodity dependent ACP countries to successfully diversify around traditional products?	
<b>J.6.1</b>	<i>The Commission's support has facilitated the analysis of Government's policy choices aiming for diversification and growth</i>
<b>MG</b>	<p>Comme noté plus haut (QE2), la stratégie nationale de développement agricole est centrée sur la production rizicole.</p> <p>La Facilité Sécurité Alimentaire a fourni un appui important au secteur rizicole (financement d'actions de structuration de la filière par des ONG, d'une assistance technique FIDA, mise en place d'un observatoire des prix).</p> <p>Les appuis Stabex aux cultures d'exportation (café, vanille, girofle, litchis) a contribué à diversifier les sources de revenu des paysans bénéficiaires mais ces appuis ne s'inscrivaient pas dans une stratégie explicite du gouvernement malgache (bien que les nombreux documents de stratégie produits par le gouvernement au fil des années – mais jamais mis <b>en œuvre – fassent rituellement référence aux cultures d'exportation.</b></p>
<b>I.6.1.1</b>	Evidence that Technical Assistance has been provided to the Government in the area of policy analysis relating to diversification and growth where necessary and in complementarity with that provided by other donors
<b>MG</b>	<p>Oui pour l'assistance technique de la CE mais non pour la complémentarité avec les autres bailleurs.</p> <p><u>Assistance technique</u></p> <p>Dans le cadre de <u>Stabex</u> et de <u>l'instrument banane</u>, la Délégation a proposé une <u>stratégie de diversification</u> assez "simpliste" portant sur les épices, baie rose, palmier ornementaux et palmiers pour cœur de palmier, loni (plante médicinale utilisée dans les pays asiatiques) et sur les fruits (carambole, grenadelles,...). L'appropriation de cette stratégie par le gouvernement reste faible (Source : MN 801). En effet, la stratégie de développement agricole du gouvernement est actuellement fortement centrée sur les cultures vivrières (riz et manioc). Le développement des cultures d'exportation n'est pas la priorité (Source : MN 805).</p> <p><u>L'instrument banane</u> (spécifiquement consacré à la diversification) était prévu pour 1999-2008. Madagascar a seulement soumis une stratégie de diversification en 2001 avec un appui à partir de 2002. Les actions ont seulement démarré à partir de 2005 et ont été suspendues à partir de 2009. On comptabilise seulement 6 allocations annuelles au lieu de 10. (Source : MN 801).</p> <p>Le Plan d'Action pour le Développement Rural (PADR) initié en 1997 et mis à jour en 2008 a été <u>très appuyé par l'UE à travers les programmes PASA</u>. Il est encore opérationnel et guide la politique agricole aujourd'hui. Dans la première version l'accent était mis sur le développement rural au sens large incluant éducation, santé, infrastructures. La deuxième version (confirmée en 2008) exclut éducation et santé et retient 5 axes : environnement favorable ; productivité ; infrastructures ; valorisation des ressources naturelles ; accès au marché. (Source : MN 805).</p> <p>Le Ministère de l'Agriculture a également été associé à la formulation des <u>appuis Stabex</u>. (Source : MN 805).</p> <p><u>Coordination bailleurs</u></p> <p>De manière générale, il y a des échanges thématiques dans le cadre du secrétariat multi-bailleurs (SMB) mais <u>très peu ou rien en matière de coordination</u> de la mise en œuvre. Cela apparaît clairement dans les évaluations de l'application de la</p>

	Déclaration de Paris (Source : MN 801).
<b>J.6.2</b>	<b><i>The Commission has encouraged the diversification of sources of livelihoods of traditional agricultural commodity producers through the adoption and implementation of rural growth strategies</i></b>
<b>MG</b>	<p>Les projets Stabex et l'initiative banane ont encouragé la diversification des cultures d'exportation comme source de revenu monétaire en appoint aux culture vivrières (riz, manioc).</p> <p>Cette diversification permet de lisser les effets des variations de prix sur un produit particulier et assure par ailleurs des rentrées d'argent réparties sur différentes périodes de l'année.</p> <p>Toutefois, ces résultats sont uniquement observés à un niveau local sans réplication dans d'autres zones. La Délégation considère que les résultats obtenus n'ont pas été à la hauteur des montants financiers engagés.</p>
<b>I.6.2.1</b>	The Commission has encouraged the inclusion of productive sector development strategies in the PRSPs and their discussion with relevant parties (Government, investors, donors)
<b>MG</b>	<p>Bien après les rois de l'Imerina, tous les chefs d'Etat qui se sont succédé au pouvoir à Madagascar ont utilisé le riz pour consolider celui-ci. Ceux qui ont essayé de mettre au second plan le riz ont risqué leur pouvoir car cette céréale divine reste un marqueur culturel. En voici deux exemples : (i) mécontentement de la population de la capitale quand, sous la Deuxième République, pendant les grandes crises de produits de première nécessité, le président Ratsiraka proposa le remplacement du riz par d'autres produits ; (ii) mécontentement aussi quand son prédécesseur le président Tsiranana, a favorisé les cultures d'exportation (dont le café) et introduit d'autres cultures (dont le soja) ; il se rattrapa en concentrant les aides techniques sur la région rizicole du Lac Alaotra.</p> <p><i>M.H.Dabat, Diagnostic du marché du riz à Madagascar en 2004 et début 2005</i></p>
<b>I.6.2.2</b>	The Commission's rural development strategies and interventions have included considerations for diversification of producers' livelihoods and have addressed international marketing issues
<b>CI</b>	<p><u>Diversification : réponse mixte</u></p> <p>Globalement, le programme STABEX a contribué directement ou indirectement à la réalisation de l'objectif de lutte contre la pauvreté, tant au travers d'une consolidation de certaines filières, <u>dans l'attente d'une éventuelle diversification</u>, que de contributions budgétaires significatives et exceptionnelles à destination des producteurs. Le <u>Stabex 1999 est contributif de la politique sectorielle de la Cote d'Ivoire</u>. (Source : Eval Stabex 2009).</p> <p>En effet, les seuls constats concernant la diversification concerne les filières ananas et rizicole. <u>Pour l'ananas</u>, l'intervention majeure consiste en un projet de diversification et régénération variétale, lié à un retournement de la demande aux conséquences désastreuses, en partenariat avec la profession. Concernant la <u>filiale rizicole</u>, la culture de riz irriguée a été développée dans les Régions Centre et Centre Nord pour diversifier les revenus des agriculteurs (Source : Eval Stabex 2009).</p> <p><u>International marketing issues : oui</u></p>

	Oui. Dans le cadre du PIN 10ème FED, les partenaires sont convenus, au titre des actions « hors concentration » d'une inscription financière complémentaire pour les filières agricoles. L'objectif spécifique sera de renforcer la capacité d'offre et la <u>compétitivité des produits agricoles pour faciliter leur accès aux marchés extérieurs</u> . Les principales interventions prévues visent notamment la réduction des coûts de production et de mise en marché des produits, et la création d'un environnement favorisant une meilleure prise en compte des risques en matière d'hygiène et de sécurité sanitaire des aliments mais aussi des évolutions de la demande. (Source : Eval Stabex 2009).
<b>I.6.2.3</b>	The Commission has commissioned studies of causes of low food production and their possible remedies for Governments to implement enabling environments
<b>MG</b>	La Délégation a produit différentes notes d'analyses (assez concises mais précises et qui abordent des éléments concernant le faible niveau de production) : <ul style="list-style-type: none"> <li>▪ Rapport sur les exportations du secteur agriculture – élevage - pêche en 2009</li> <li>▪ La filière café septembre 2008</li> <li>▪ Note filières, Girofle, juin 2010</li> <li>▪ Note filières, Vanille, juin 2010</li> </ul> Toutefois, la stratégie de développement agricole du gouvernement est actuellement fortement centrée sur les cultures vivrières (riz et manioc). Le développement des cultures d'exportation n'est pas la priorité (Source : MN 805).
<b>J.6.4</b>	<i><b>The income vulnerability of producers, sector and countries has declined as a result of the implementation of diversification strategies</b></i>
<b>MG</b>	Le développement des cultures d'exportation (café, vanille, girofle, litchi) soutenu localement par les projets Stabex en complément des cultures vivrières (riz, manioc) apporte aux paysans un revenu monétaire qui leur permet si nécessaire d'acheter du riz pendant la période de soudure. Par ailleurs, pratiquer plusieurs cultures d'exportation permet de lisser les effets des variations de prix sur un produit particulier et assure par ailleurs des rentrées d'argent réparties sur différentes périodes de l'année.

### EQ 7 on Commission support in the wider context of EC policies

<b>To what extent did the implementation of other relevant European Community policies strengthen or weaken the pursuit of the COM's objectives ?</b>	
<b>J.7.1</b>	<i><b>European Community policies in fields potentially relevant to cooperation in the area of agricultural commodities in CDDCs (such as trade or agriculture) have been designed and implemented taking account of their potential impact upon agricultural commodities</b></i>
<b>I.7.1.2</b>	There has been no occurrence of positive or negative effects of the implementation of other European Community policies in the countries and sub-sectors (products) benefiting from Commission agricultural commodities support
<b>CR</b>	The identification documents (diagnostic and feasibility studies), formulation documents (FA) and the monitoring and evaluation reports do not mention occurrences of positive or negative effects of the implementation of other EC policies. Sources: <i>Financing Agreement between the European Commission and the Caribbean Forum of ACP</i>

	<p><i>States, Support to the Competitiveness of the rice sector in the Caribbean, November 2003</i>  <i>Addendum n°1 to the Financing Agreement n°9052/REG, 25 October 2006</i>  <i>Agrotec Spa, Diagnostic Study of the CARIFORUM rice industry, 2001</i>  <i>Agrotec Spa, Feasibility study of the CARIFORUM rice industry, 2003</i>  <i>SOGES Spa, End of programme evaluation of the programme: Support to the Competitiveness of the rice sector in the Caribbean, Final Report, Draft, 11 November 2009</i>  <i>European Commission, Monitoring Reports dated 05/12/2005, 02/11/2006 and 04/01/2008</i></p>
<b>I.7.1.3</b>	Specific measures have been taken by the Commission to mitigate any potential negative consequences upon agricultural commodities in CDDCs of other policies in related areas (trade, agriculture, environment ...)
<b>CR</b>	<p>In recognition of the loss of trade preferences enjoyed by ACP rice exporters in the EU market due to result from liberation measures under the Cotonou Agreement, the EC issued a joint declaration on Rice (Art. 24 of the Cotonou Agreement) which states its “commitment to enhance the competitiveness and efficiency of the ACP rice sector in order to maintain a viable and sustainable rice industry”. The Support to the Competitiveness of the rice sector in the Caribbean programme is directly enshrined in the spirit of this joint declaration.</p> <p><i>Sources:</i>  <i>Financing Agreement between the European Commission and the Caribbean Forum of ACP States, Support to the Competitiveness of the rice sector in the Caribbean, November 2003</i></p>
<b>J.7.3</b>	<b><i>Commission' support to agricultural commodities has taken into account Commission transversal policies regarding gender, environment, protection of human rights, corporate responsibility (including child labour and other social rights) and HIV/AIDS in CDDCs</i></b>
<b>I.7.3.1</b>	Evidence of reference to these cross-cutting issues in strategy and programming documents
<b>CR</b>	<p>The FA of the Commission programme also noted that the project would also “directly address environmental issues, especially in the research of alternative practices to the excessive use of chemicals in agriculture and of the destination of industrial wastes.” Moreover, it stresses that the “programme will positively impact on rural incomes, rural employment and women”.</p> <p><i>Sources:</i>  <i>Financing Agreement between the European Commission and the Caribbean Forum of ACP States, Support to the Competitiveness of the rice sector in the Caribbean, November 2003</i></p>
<b>I.7.3.2</b>	Evidence of inclusion of specific measures targeting these cross-cutting issues in interventions supporting agricultural commodities
<b>CR</b>	<p>There are no specific activities in the Logframe to take into account environment and/or gender issues.</p> <p><i>Source: Financing Agreement between the European Commission and the Caribbean Forum of ACP States, Support to the Competitiveness of the rice sector in the Caribbean, November 2003</i></p>



### EQ 8 on the use made of different financing instruments in support of agricultural commodities

To what extent were different financing instruments and implementation modalities used in a cost effective and timely manner in order to facilitate attainment of the COM's objectives?	
<b>J.8.3</b>	<i>At sector level, the interventions used financing modalities and implementation mechanisms that were adapted to the absorption and implementation capacities of implementation agencies, regional organisations and producer organisations</i>
<b>I.8.3.1</b>	Intervention formulation documents included a diagnostic of the institutional capacity of the implementing agency to undertake the required tasks
<b>CR</b>	The “Support to the Competitiveness of the rice sector in the Caribbean” programme identification (diagnostic and feasibility studies) and formulation documents (FA) do not include a diagnostic of the institutional capacity of the implementing agencies. Reference is made in the FA to the fact that the implementing agencies (Caribbean Rice Association and two Ministries of Agriculture in Guyana and Suriname) have established track records in delivering services to the industry. A more detailed description of the implementing agencies is provided in the feasibility study but there is no diagnostic of their institutional capacity. <i>Sources: Agrotec Spa, Feasibility study of the CARIFORUM rice industry, 2003 Financing Agreement between the European Commission and the Caribbean Forum of ACP States, Support to the Competitiveness of the rice sector in the Caribbean, November 2003, page 10</i>
<b>I.8.3.2</b>	Evidence of mix of different financing modalities used within a sector and within programmes (MoU/FA) to adapt to needs and absorption capacities
<b>MG</b>	Parallèlement à un appui budgétaire et au financement de structures d'appui au développement agricole (CSA et FRDA), la ligne budgétaire Sécurité Alimentaire a financé des ONG pour des projets de renforcement des capacités des organisations paysannes. On peut notamment citer deux projets de ce type : le projet d'appui au développement des filières riz, manioc et légumes secs par le renforcement des capacités techniques, économiques et organisationnelles des organisations paysannes des régions Sud de Madagascar et le Projet d'Appui à la production rizicole et légumineuse dans le District de Vangaindrano. <i>Source : Inventaire des interventions</i>
<b>CR</b>	The “Support to the Competitiveness of the rice sector in the Caribbean” programme used a mix of different financing modalities. The constraints and needs have been identified in the diagnostic and feasibility studies. The various components of the three sub-programmes (FA) overall reflect the components proposed in the feasibility study. There is no explicit reference though on the extent to which the financing modalities have been chosen to adapt to needs; it is rather implicit. The feasibility study acknowledged the limited resources of implementing partners in terms of staff, funds and facilities and noted that this will have organisational implications for the intervention (supplementation of resources; staff orientation and capability building; technical assistance and consultancy services). Absorption capacities have not been analysed in detail in the feasibility study. Additionally, there is no explicit reference in the FA on the link between the chosen financing modalities and the absorption capacities. <i>Sources: Agrotec Spa, Feasibility study of the CARIFORUM rice industry, 2003 Financing Agreement between the European Commission and the Caribbean Forum of ACP States, Support to the Competitiveness of the rice sector in the Caribbean, November 2003, page 10</i>

### EQ 9 concluding on the relevance of the 2 COMs


<p>To what extent has the Commission's support to agricultural commodities been:</p> <p>(x) responsive to the needs, problems and issues of commodity dependent ACP countries,</p> <p>(xi) aligned to and supportive of the policy objectives and priorities of recipient commodity dependent ACP countries and regions, and</p> <p>(xii) consistent with and supportive of the objectives of the two communications COM(2004)89 and COM(2004)87<sup>1</sup>?</p> <p><sup>1</sup> COM(2004)89: 'Agricultural Commodity Chains, Dependence and Poverty – A proposal for an EU Action Plan'; COM(2004)87: 'Proposal for an EU-Africa partnership in support of cotton sector development' and its associated Action Plan (Action plan for the implementation of the EU-Africa Partnership for cotton)</p>	
<b>J.9.1</b>	<i>The interventions supported by the Commission in the field of agricultural commodities have been designed as a response to the country's needs, problems and issues</i>
<b>I.9.1.1</b>	Country programming and project documents include an analysis of needs and challenges of the agricultural commodity sector or are based on existing diagnostics of the competitiveness of agricultural commodity value chains (Domestic Resource Cost studies)
<b>CR</b>	<p>The "Support to the Competitiveness of the rice sector in the Caribbean" programme is based on a diagnostic study and on a feasibility study which analysed the needs and challenges of the rice sector. The diagnostic study analysed the rice industry in Guyana, Trinidad &amp; Tobago, Jamaica, Belize, Dominican Republic and Suriname (production, milling, trade, services, policy framework), highlighted the main constraints and proposed recommendations. The feasibility study (3 volumes) proposed three action plans: one for Guyana, one for Suriname and one for the region. It includes in each volume the trends of the rice industry, the assessment of the constraints, and a proposed action plan which includes details on the proposed intervention (objectives, components, budget, organisation).</p> <p><i>Sources:</i>  <i>Agrotec Spa, "Diagnostic Study of the CARIFORUM rice industry", 2001</i>  <i>Agrotec Spa, Feasibility study of the CARIFORUM rice industry, 2003</i></p>
<b>I.9.1.2</b>	Programming and formulation documents explicitly show which needs are intended to be responded to and how the proposed interventions will address these needs at macro-economic and commodity sector level
<b>CR</b>	<p>The "Support to the Competitiveness of the rice sector in the Caribbean" programme is based on the diagnostic and feasibility studies above mentioned. The FA does not detail how the intervention will address the needs at macro-economic and commodity sector level. However, the feasibility study precisely identified the needs to which the intervention is supposed to respond: e.g in Guyana: "(i) closing of the yield gap between the average and better farms and resolving the dilemma of the improvement of livelihoods for poor small farmers; (ii) rectifying of quality deficiencies and increased milling out-turns; and (iii) instigation of the cooperation and integration necessary for effective export competition." The various components proposed are then detailed: they aim at responding to identified constraints though it is not explicitly mentioned.</p> <p><i>Sources:</i>  <i>Agrotec Spa, "Diagnostic Study of the CARIFORUM rice industry", 2001</i></p>

	<i>Agrotec Spa, Feasibility study of the CARIFORUM rice industry, 2003</i> <i>Financing Agreement between the European Commission and the Caribbean Forum of ACP States, Support to the Competitiveness of the rice sector in the Caribbean, November 2003</i>
<b>J.9.2</b>	<b><i>The choice of interventions is aligned with the policy objectives and priorities of the beneficiary country's national strategy</i></b>
<b>I.9.2.3</b>	Existence in the intervention formulation documents of explicit reference to the policy objectives and priorities of the commodity sector in which interventions are proposed to take place and of explicit links to these objectives
<b>CR</b>	The feasibility study of the "Support to the Competitiveness of the rice sector in the Caribbean" programme presented in the section on the country background aspects related to legislation (Guyana: land administration and tenure, and drainage and irrigation; Suriname: lack of legislation on land tenure and D&I) and stressed the weaknesses/lack of policies. The FA makes a minor reference to national policies in the section on "Factors ensuring sustainability" (" <i>The national policy frameworks of countries support the consolidation of the rice industry along sustainable lines</i> ") and aimed at supporting governments in designing sector strategies. The final evaluation stressed that the programme failed to achieve this expected result. <i>Sources:</i> <i>Financing Agreement between the European Commission and the Caribbean Forum of ACP States, Support to the Competitiveness of the rice sector in the Caribbean, November 2003</i> <i>Agrotec Spa, Feasibility study of the CARIFORUM rice industry, 2003</i> <i>SOGES Spa, End of programme evaluation of the programme: Support to the Competitiveness of the rice sector in the Caribbean, Final Report, Draft, 11 November 2009</i>
<b>I.9.2.4</b>	Views of stakeholders on appropriateness of Commission's interventions with respect to national and country priorities
<b>MG</b>	La stratégie de développement agricole du gouvernement est actuellement fortement centrée sur les cultures vivrières (riz et manioc). Le <u>développement des cultures d'exportation n'est pas la priorité</u> (Source : MN 805). De plus, la crise politique a engendré une suspension plus ou moins complète des financements bailleurs et des relations officielles avec le gouvernement. Le Secrétariat multi-bailleurs sert de pont avec le gouvernement tant qu'il n'y a pas de relations institutionnelles entre eux (Source : MN 817). Par contre, le <u>gouvernement malgache s'est approprié la démarche « CSA »</u> initialement mis en place via la ligne budgétaire sécurité alimentaire (Sources : MN 804). Les CSA sont des structures semi-publiques et sont financées par le ministère depuis janvier 2009. Les finances du CSA subissent néanmoins les effets du blocage du budget suite à la suspension de l'aide accordée par la CE en conséquence de la crise politique). (Sources : MN 815). En effet, les CSA ont initialement été conçus avec une certaine idée (ONG) mais ont évolué vers un statut semi-public du fait du retrait de l'UE et de l'organisme d'appui : en d'autres mots, le statut du CSA est celui d'une ONG mais les salaires et les frais de fonctionnement sont payés par l'Etat (du fait de la suspension de l'aide de l'UE) (Source : MN 811).



# Tea - Product Fiche

## 0. Identification of the product

	<ul style="list-style-type: none"><li>▪ Tea</li><li>▪ <i>Camellia sinensis</i></li></ul> <p>The leaves, internodes and buds of the tea plant are cured and boiled in water to prepare the tea beverage. Tea is – after water – the most widely consumed beverage in the world.</p> <p>Tea by-products include the following: The seeds can be used as a source of protein and edible oil. Tea seed oil has applications in the cosmetic industry. Thiosaponin extracted from the oil is used in manufacturing and processing of food, drinks, chemicals medicine, pesticides, rubber, building materials, extinguishing materials, etc.<sup>75</sup> Tea oil cake and wastes are used as fodder and bio-manuring<sup>76</sup></p> <p>Important substitutes to tea are the “herbal teas” (or tisanes, made from aromatic plants, containing no caffeine) and the “red tea” made from the rooibos plant.</p>
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<sup>75</sup> Source: [http://www.camellia-oil.com/Tea\\_Saponin.htm](http://www.camellia-oil.com/Tea_Saponin.htm) online July 20 2010

<sup>76</sup> Source : <http://www.upasitearesearch.org/teabyproduct.html> online July 20 2010

## 1. Commission support to the product

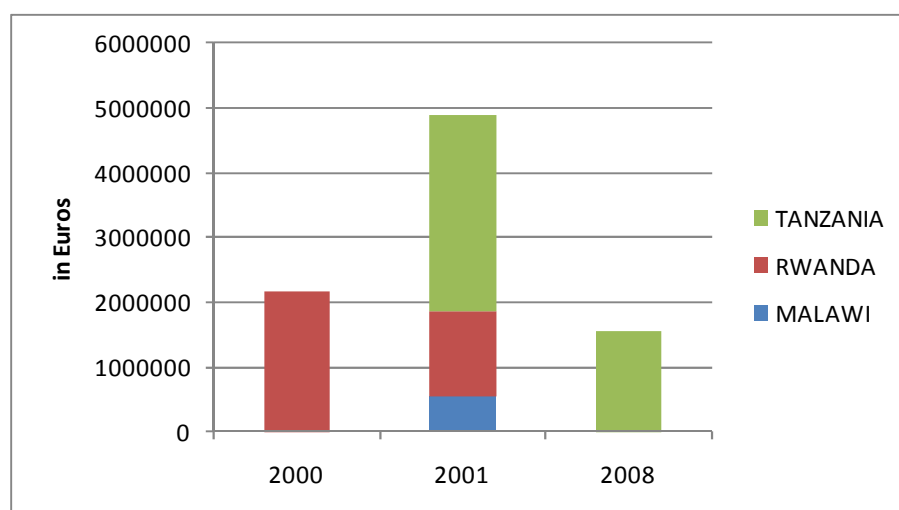
**Table 39:: Commission support to tea per country**

Countries	Planned amount
MALAWI	527,908
RWANDA	3,489,419
TANZANIA	4,571,916
<b>Grand Total</b>	<b>8,589,242</b>

*Source: ADE Inventory based on CRIS*

All Commission support to tea has been in the form of Stabex funds and would therefore appear under priority 3 (risk management). Actual use of funds (per area and priority) needed to be checked on a case-by-case basis and this has been done for Tanzania where a field visit was undertaken. In Tanzania most of the funds were used to support tea research (including construction works of the Tea Research Institute of Tanzania).

**Graph 57: Evolution of contracted amounts per year per country (2000-2009) were as follows:**



*Source: ADE Inventory based on CRIS*

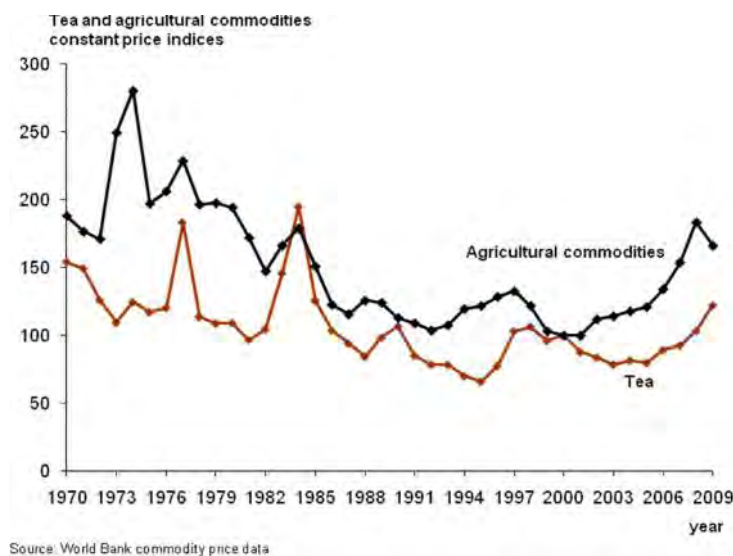
## 2. Main characteristics of the sub-sector

### 2.1 Tea prices

The evolution of tea and agricultural commodities world price indices<sup>77</sup> since 1970 is represented on the graph below.

<sup>77</sup> Given the fact that there is no real world price for tea, the reference price is calculated by average of the three main tea auction markets: Kolkata, Colombo and Mombasa.

**Graph 58: Evolution of tea and agricultural commodities world price indices (year 2000 = 100)**



*Source: World Bank, commodity price data*

Tea prices have followed a progressive decline from the 1970s to 1995 with a few price surges in the 1970s and 1980s. After a rise at the end of the 1990s, tea prices slowly decreased until 2005 before increasing again during the second half of the decade. The general trend is quite similar to the one of agricultural commodities but the fluctuations are different.

The tea markets are quite different from the other beverage markets (cocoa and coffee) for three reasons:

- First of all, tea (both fresh and processed) is a perishable commodity. Tea stocks are therefore insignificant and play no role on the international level.
- Second, there is no referential international tea market that fixes a common world price.
- Third, most tea (84 percent) is sold by auctioning on domestic markets. The rest is sold through direct contracts.

The general downward trend of tea prices is attributed to a growth of supply facing a stagnating demand. Competition in production is high and countries have invested considerable amounts in developing tea production, which doesn't encourage them to leave the markets.

The amplitude of the global volatility of tea prices is less important than for the other beverages. Several explanations have been suggested for this: tea exports are less dominated by single major countries (such as Brazil for coffee and Côte d'Ivoire for cocoa) and therefore weather and diseases cannot affect world prices as much; tea markets are not subject to speculation; and vertical integration in consumer countries contributes to stabilize prices at a low level. Yet the variability has been increasing since the 1970s<sup>78</sup>.

<sup>78</sup> Source : Oxfam international <http://www.maketrade-fair.com/assets/english/TeaMarket.pdf> online July 22 2010

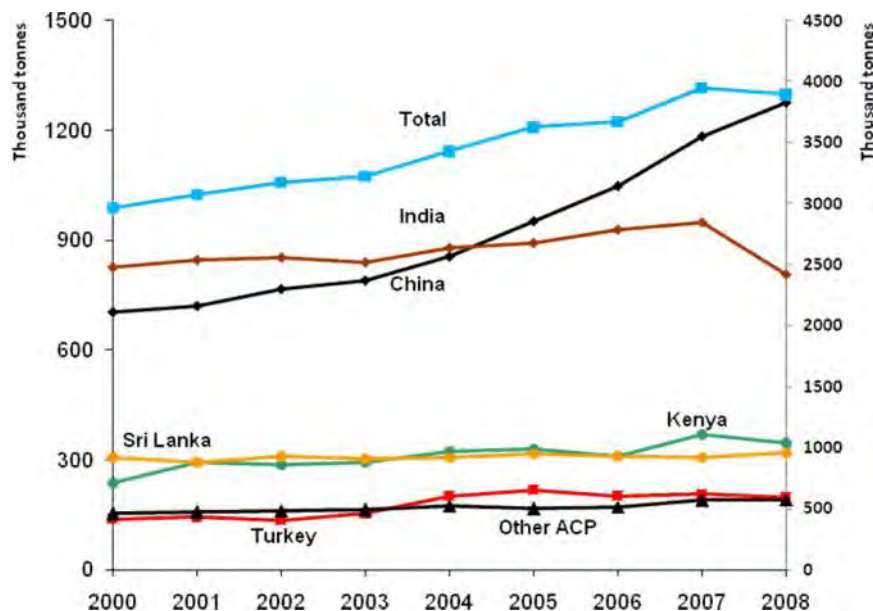
The prices seem to follow a cycle of approximately 7 years alternating price peaks followed by slower decreases. According to Oxfam International, these cycles could be attributed to exchange rates fluctuations and variations in demand<sup>79</sup>. Yet an FAO report states that supply shocks also play an important role. The price surges of 1976 and 1984 can be linked to the oil price peaks driving all commodity prices up, with the response of tea supply appearing with a certain delay since it is a perennial crop. The steady increase since 2006 would be due to a worldwide demand increase (particularly in emerging economies), followed by civil disturbances in Kenya and prolonged droughts in Kenya, Sri Lanka and India tightening global supply. The global increase in commodity demand (favoured by the weak US dollar and the expansionary credit policies in most OECD countries leading to increased speculation on commodity markets) drove tea prices up as well<sup>80</sup>.

## 2.2 Evolution of tea production

The main tea producers in the world are China, India, Sri Lanka, Kenya, Turkey, Vietnam and Indonesia. Contrary to other beverages, tea is widely consumed in most producing countries (e.g. India and China are also the two largest tea consumers) and over half of the world's tea production is consumed domestically<sup>81</sup>. Kenya is the only ACP country playing a significant role on the international level, although tea exports account for a significant share of export revenue for countries such as Rwanda and Malawi.

World tea production statistics are represented in graph below.

**Graph 59: Tea production from 2000 to 2008**



Source: FAOStat

<sup>79</sup> Source : Oxfam international <http://www.maketradeair.com/assets/english/TeaMarket.pdf> online July 22 2010

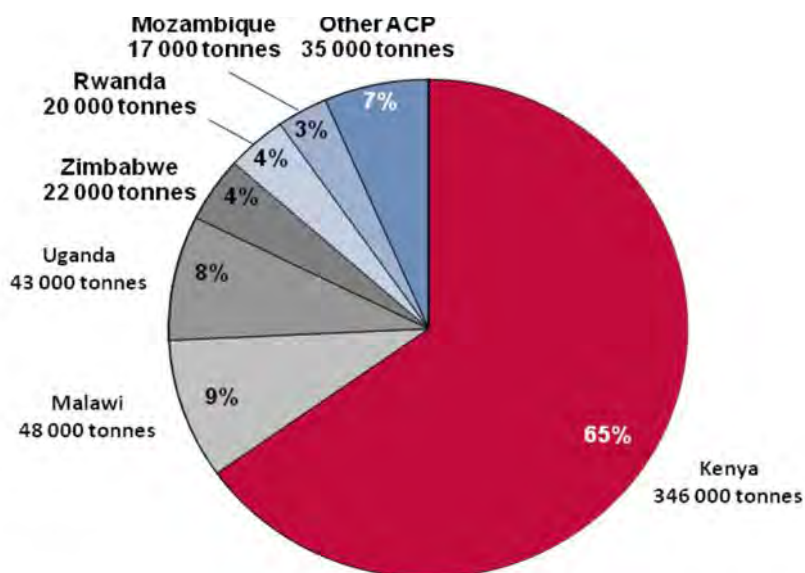
<sup>80</sup> Source : FAO <http://www.fao.org/docrep/meeting/018/K7833E.pdf> online July 22 2010

<sup>81</sup> Source : UNCTAD <http://www.unctad.org/infocomm/francais/the/marche.htm> online July 22 2010



China's production almost doubled since 2000 whereas production in other countries has remained stable. Shares of ACP tea production in 2008 are represented in the graph below.

**Graph 60: Shares of ACP tea production in 2008**



Source: FAO

Source: FAOStat

Tea production is divided between numerous smallholder producers and fewer large plantations owned by multinationals. The latter have access to the latest technical information whereas smallholders usually lack capital to afford inputs such as fertilisers and irrigation and lack information on how to pick the leaves properly and how to treat the bushes and the land. Prices received by smallholders are usually lower due to the inferior quality of their production, or such as was the case for the Tanzanian farmers met during the field visit, because their green leaf is not graded by quality at the point of sale. Smallholder production accounts for approximately 60 percent of Kenya's production, more than half of Sri Lanka's production and most of India's production. Given the fact that tea plucking is very labour-intensive, even smallholder farms usually hire external labour<sup>82</sup>.

Total production has been increasing since the 1960s and the growth has progressively slowed down in the past years. Yields have also increased worldwide as can be seen on table below, comparing yields in the key producing countries.

<sup>82</sup> Source : Oxfam international <http://www.maketrade-fair.com/assets/english/TeaMarket.pdf> online July 22 2010

**Table 40: Evolution of tea yields between 1970 and 2007 (in kg/ha)**

Year	China	India	Kenya	Sri Lanka	Turkey
1970-1979	283	1349	1063	859	1347
1980-1989	490	1542	1559	886	1584
1990-1999	700	1746	2076	1248	1713
2000-2008	871	1676	2255	1491	2284

Source: Adapted from FAOStat

Yields have followed parallel trends throughout the different regions but with very different total values. During the 2000s though, yields in Turkey have increased faster and those in Kenya have increased slower than the average. Kenya, the only major ACP tea producer on the world level, has one of the highest yield averages.

### 2.3 Evolution of tea markets

The tea markets used to be directed by the government in Asian countries such as China and Vietnam. Today state owned enterprises coexist with smallholder farms and large plantations owned by multinational firms. In Turkey, near 60 percent of tea is produced by a state-owned company<sup>83</sup>.

In Kenya, a state-owned organization (the Kenya Tea Development Authority) was founded in 1964 to promote and foster the development of tea growing. In 2000, it was replaced by the Kenya Tea Development Agency, a private firm which provides the same services: credit access to fertilizers, establishment of tea nurseries, supervision of various operations, etc. The services provided by the Agency to smallholders have contributed to the high yields observed in the country. It also takes care of the tea collection, processing and marketing<sup>84</sup>.

In other countries, smallholders sell their production to middlemen, to plantations or to “bought leaf” factories. The price paid to smallholders is usually set nationally or regionally by the government and reviewed regularly<sup>85</sup>.

The tea industry is highly concentrated (both vertically and horizontally) with few multinational firms dominating the market. Although production and curing is done in developing countries, the blending, conditioning and advertising of tea are mostly done in Western countries<sup>86</sup>.

<sup>83</sup> [http://www.marketresearchworld.net/index2.php?option=com\\_content&do\\_pdf=1&id=208](http://www.marketresearchworld.net/index2.php?option=com_content&do_pdf=1&id=208) online July 22 2010

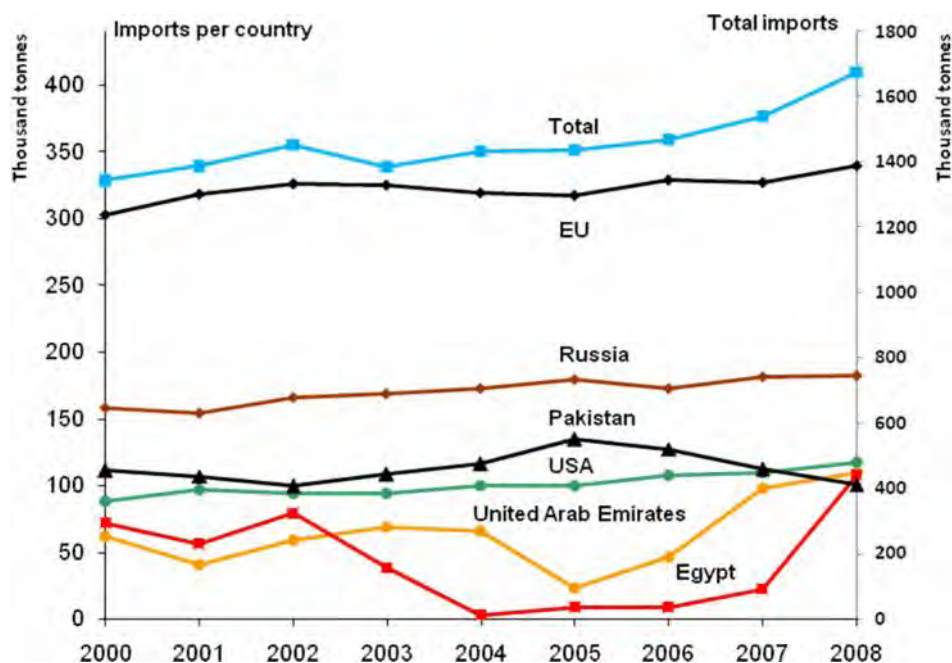
<sup>84</sup> [http://www.ktdateas.com/index.php?option=com\\_content&task=view&id=27&Itemid=1](http://www.ktdateas.com/index.php?option=com_content&task=view&id=27&Itemid=1) online July 22 2010

<sup>85</sup> Source : Oxfam international <http://www.maketradeair.com/assets/english/TeaMarket.pdf> online July 22 2010

<sup>86</sup> Source: UNCTAD <http://www.unctad.org/infocomm/francais/the/filiere.htm> online July 22 2010

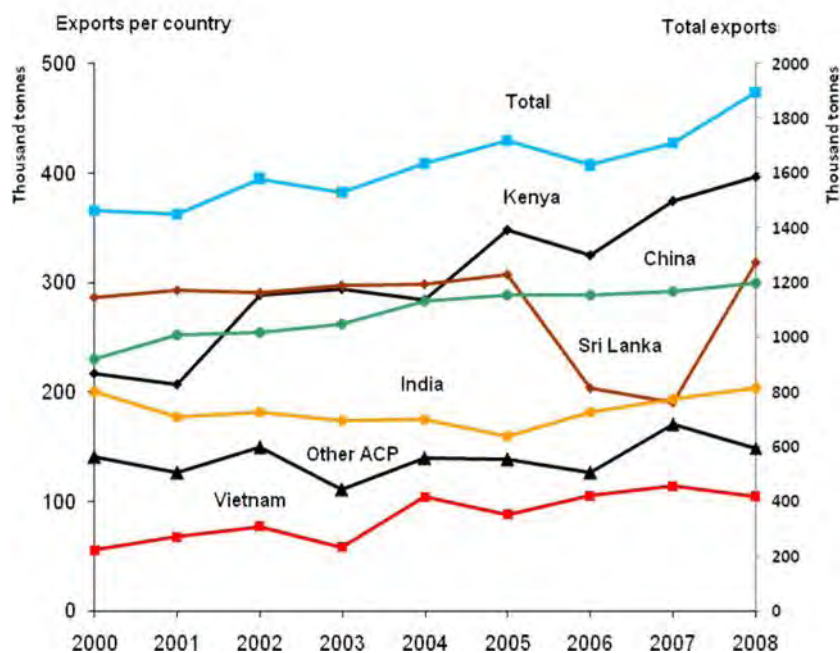
The quantities imported and exported are represented below:

**Graph 61: Tea imports from 2000 to 2008**



Source: FAOStat

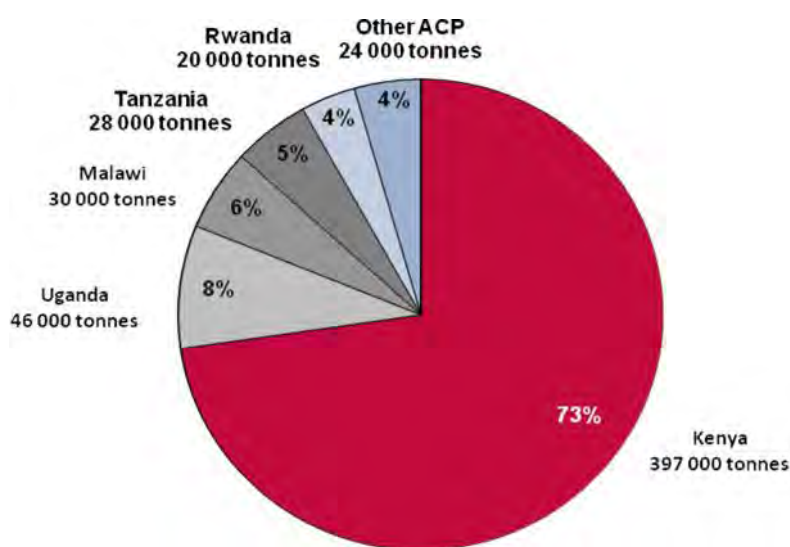
**Graph 62: Tea exports from 2000 to 2008**



Source: FAOStat

As mentioned above, Kenya plays the largest role among ACP exporters and it is to be noted that export figures for Kenya also most probably ‘hide’ exports from neighboring producer countries which production transits through Mombasa. This is illustrated by the graph below of shares of ACP tea exports in 2008.

**Graph 63: Shares of ACP tea exports in 2008**



Source: FAOStat

### **3. Summary of the main findings arising from the desk and field analysis for the product**

#### **3.1 Importance of tea in analysed countries**

Except Kenya, tea is mainly produced in Asia (China, India and Sri Lanka) and in Eurasia (Turkey). However, tea represents an important share of export revenue for some ACP countries such as Rwanda and Malawi (*J.1.1*).

Around 85% of tea is sold by auctioning on domestic markets. The rest is sold by direct contracts. While Mombasa in Kenya is the reference market in East Africa, tea production in Tanzania is sold on the Moshi's auction.

#### **3.2 Commission overall support to tea**

According to the inventory, three ACP countries benefited from the 2000-2009 Commission-supported interventions to the tea sector: Rwanda, Tanzania and Malawi for a total contracted amount of €8.6 M. All these funds came from Stabex funds.

According to the online survey to EU Delegations in ACP countries (2011), the Commission supported the tea sector in six of the 34 respondent ACP countries during the

2004-2009 period: Burundi, Malawi, Papua New Guinea, Rwanda, Tanzania, and Uganda *(J1.3, J1.4)*.

- In Tanzania, the Commission has used Stabex funds to support tea research since 2001. There is no evidence that this support was adapted to the constraints revealed by long term price decline and short term price volatility.
- In the second half of the 90s, EC made a major contribution to the rehabilitation of the tea sector in Uganda. The EU also supported tea research.

### **3.3 Commission's support to tea strategies**

Commission-supported interventions in the tea sector did not promote the commodity chain approach in the tea sector and did not promote designing tea strategies or addressing dependency as a priority in national strategies.

In Tanzania, there is no evidence that a diagnostic was carried out before supporting the tea sector. Support was focused exclusively on tea research. In addition, there is no (national) tea strategy. The recently approved national agricultural strategy (ASDP) leaves out cash crops, including tea *(J2.1, J2.2)*.

The Commission has a long-standing experience in supporting the tea sector in Tanzania. The Commission is the only donor which supported the tea sector during the period under review. There is then no possibility to have added value to Member States' interventions in that sector *(J2.3)*.

### **3.4 Coordination of Commission's support to tea**

There is no example of coordination between Commission's interventions and other institutions' interventions in the tea sector. In Tanzania, the Commission is the only public donor in the tea sector; some private donors (philanthropic institutions) are active in the area but the Commission does not coordinate with them. However, its influence on the Government decisions in coordination with other donors has decreased since it stopped to support the basket fund in agriculture *(J3.1, J3.2)*.

### **3.5 Support to competitiveness of the tea sector**

In Tanzania, there is no evidence that the Commission did stimulate the creation of an environment conducive to increased competitiveness of tea. Tea is mainly in the hands of large estates (private sector) while little shares are left to smallholders *(J4.1)*.

Only Stabex funds have been used in Tanzania to support the tea sector since 2001. The Commission contracted its support to tea research without having a global view on the tea value chain. Different outputs have been delivered such as facilities (houses and laboratories for the Tea Research Institute), trainings, or setting up of smallholder nurseries. In addition, clonal tea varieties with better productivity were developed and their dissemination started through nurseries at smallholder level.

Even if the productivity of new clonal varieties is by far higher than for traditional varieties yield (up to 6 tons of green leaves/ha against 0.6 tons of green leaves/ ha for traditional varieties), smallholders green leaf production has not increased. This can be explained by several constraints that were not tackled by Commission support or other donors support in a global value chain approach in Tanzania **(J4.2)**:

- limited access to seedlings (clonal varieties) and fertilizers due to a poor dissemination
- lack of extension services and insufficient technology transfer
- poor quality of green leaf and lack of incentive for smallholders to increase quality of green leaf as all green leaf is bundled together before sale
- limited means to collect green leaves (e.g. availability of trucks for smallholders)
- issues around the price offered to smallholders (see below).

In addition, the Commission support in Tanzania has contributed only to a limited extent to the improvement of the capacity of tea producers to respond to tea market requirements **(J4.3)**:

- Price mechanisms and information about the price to smallholders are still major issues at stake and were not tackled by Commission support; factory production costs are not known by smallholders and they can not bargain for the price at which they sell their green leaf
- In the surroundings of the Tea Research Institute, the number of association members has grown from 174 to 590
- The tea industry being in the hands of the estate sector and the absence of Public-Private Partnership (PPP) are considered as the main constraints to the extension of tea production by smallholders
- Sustainability of tea research and extension services are still issues at stake; there is still a need to continue to support them.

Globally, the impact of Commission-supported interventions on Tanzanian tea producers' incomes could not be assessed due to a lack of relevant data. According to testimonies obtained during a focus group with tea producers in Tanzania, the beneficiaries from the project testified that they had experienced increased incomes since they got involved in tea production and that this supplementary income enabled **(J4.4)**:

- The construction of offices for the association's board, of a dispensary and houses for doctor and nurses
- The setting up of a lending scheme
- The scholarship of 27 university students.

### **3.6 Commission's support to risk management**

In Tanzania, there has been no intervention funded by the Commission which supported tea smallholders' access to credit or risk-related management tools at micro-level dealing with the variability of tea prices. However, the main focus of Commission support in the sector was on research which indirectly, by providing disease resistant varieties, helps in

reducing risks. As underlined before, the Commission did not approach the tea sector with a sector wide view and thus missed acting on the issues which are real constraints to income vulnerability: price mechanisms and information about the price to smallholders are still major issues at stake **(J5.1)**.

The Commission did not support the development of a safety net in complement to its support to the tea sector in visited ACP countries **(J5.2)**.

In visited tea producing ACP countries, income variability and vulnerability to price fluctuations of tea producers and tea sector has not declined as a result of interventions supported by the Commission in risk management tools **(J5.3)**.

### **3.7 Commission's support to diversification**

The Commission did not support visited tea producing ACP producers to leave tea production for other cash or food crops, or other activities through rural development programmes. In addition, diversification within agricultural production was not supported at producer level through introduction of new crops **(J6.2)**. On the contrary, evidence in Tanzania showed that the project supported by Stabex stimulated the entry of new farmers in tea production.

### **3.8 Cross-cutting issues in Commission's support to tea**

There was no evidence that the Commission's support to the tea sector in visited tea producing countries took into account transversal policies such as gender, environment and corporate responsibilities **(J7.3)**.

### **3.9 Different financing instruments and modalities in cotton interventions**

In Tanzania, Stabex funds have been the only tool developed by the Commission to support the tea sector **(J8.1)**. The Commission's support to tea research was brought to Tea Research Institute of Tanzania through a project/programme approach **(J8.2)**. There was no evidence of major delays in that support during the period under review **(J8.3)**.

### **3.10 Alignment with the beneficiaries' needs, priorities and with the COMs**

There was no evidence that the Commission conducted analyses of needs and challenges with a view to responding to the needs, problems and issues before designing its support to the tea research in Tanzania. Decision to support tea research was made after DFID (ODA) stopped funding the Tea Research Institute in 2001. The Commission has been the only public donor to support the tea sector in Tanzania.

While the Commission has decided to continue its support to Tea Research Institute of Tanzania for the next two years through TASP<sup>87</sup> II (€2M from Stabex Funds is devoted to the tea sector), the main identified constraints and needs of the tea sector have not been addressed **(J9.1)**:

- Lack of extension services
- Lack of effective regulations and weaknesses of the Tea Board to regulate the sector
- Low tea green leaf price for smallholders.

In Tanzania, there is no strategy adopted in the tea sector, including policy objectives and priorities. Thus the Commission's support cannot be aligned with this strategy **(J9.2)**.

While supporting the tea sector in Tanzania, the Communication (2004)<sup>89</sup> was not used as a reference and the value chain approach was not followed; however interventions supported by the Commission in that sector did not contradict the COM's objectives. In fact the support to research is coherent with result 2 "*Raised competitiveness- Coping with long term price decline*" of the COM (2004)<sup>89</sup> **(J9.3)**.

#### **4. Overall assessment**

According to surveyed EU Delegations, the Commission supported the tea sector in six of the 34 surveyed ACP countries during the 2004-2009 period: Burundi, Malawi, Papua New Guinea, Rwanda, Tanzania, and Uganda. It is difficult to draw global lessons from this support as the core of the collected information is mainly provided by the field visit in Tanzania.

In Tanzania, it appears that the Commission did not promote a value chain approach in the tea sector; its support only focused on tea research without taking into account other steps of the value chain – such as tea collection or marketing – within a global development strategy. The support to tea research provided interesting outputs such as the development of Tea Research Institute of Tanzania and tea clonal varieties resistant to main diseases. However the limited dissemination of these resilient seedlings amongst tea smallholders and remaining constraints such as weak extension services, low tea green leaf price and the lack of an effective regulatory framework impeded the increase of smallholders' tea production and smallholders' tea incomes beyond the very localised beneficiaries around the Tea Research Institute. Tea production remains in the hands of large estates, which also benefited most from the tea research results that the Commission supported.

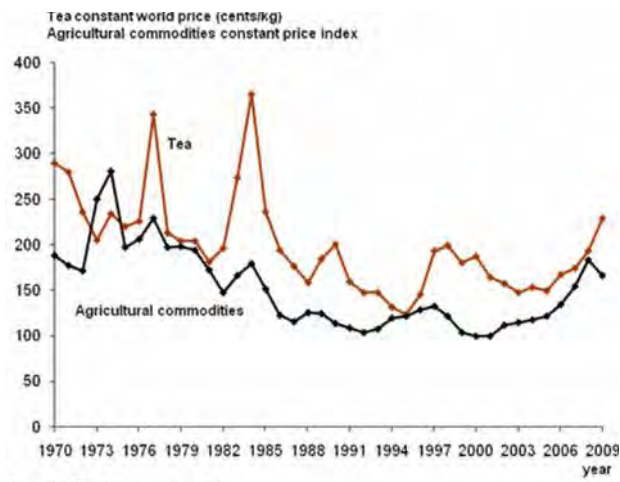
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<sup>87</sup> Tanzania Agro-dealers Strengthening Program



## Tea - Data collection grid

### EQ1 on the contextual background to the Commission's Communication relative to agricultural commodities

<p>In what ways has the Commission reacted to the long term agricultural commodities price decline and volatility when supporting Commodity Dependent Developing Countries?</p>	
<b>J.1.2</b>	<i>Prices of agricultural commodities exported by ACPs have demonstrated a long-term declining trend and high volatility</i>
<b>I.1.2.2</b>	Price trend of CDDCs main agricultural commodities over the last 50 years
<b>Tea</b>	<p style="text-align: center; color: #000080;">Evolution of tea world prices (in constant year 2000 US cents/kg) and of the agricultural commodities world constant price index (year 2000 = 100)</p>  <p style="text-align: center; font-size: small;">Source: World Bank commodity price data</p> <p>Tea prices have followed a progressive decline from the 1970s to 1995 with a few price surges in the 1970s and 1980s. After a rise at the end of the 1990s, the tea prices slowly decreased until 2005 before increasing again during the second half of the decade. The general trend is quite similar to the one of agricultural commodities but the fluctuations are different.</p> <p style="text-align: center; font-style: italic;">Source: Tea Product Fiche (from World Bank Commodity Price Data)</p>
<b>I.1.2.3</b>	Product specific issues having affected individual products' prices over the last 10 years
<b>Tea</b>	<p>The tea markets are quite different from the other beverage markets (cocoa and coffee) for three reasons.</p> <p>First of all, tea (both fresh and processed) is a perishable commodity. Tea stocks are therefore insignificant and play no role on the international level.</p> <p>Second, there is no referential international tea market that fixes a common world price. Third, most tea (84 percent) is sold by auctioning on domestic markets. The</p>

	<p>rest is sold through direct contracts.</p> <p>The general downward trend of tea prices is attributed to a growth of supply facing a stagnating demand. Competition in production is high and countries have invested considerable amounts in developing tea production, which doesn't encourage them to leave the markets.</p> <p>The amplitude of the global volatility of tea prices is less important than for the other beverages. Several explanations have been suggested for this: tea exports are less dominated by single major countries (such as Brazil for coffee and Côte d'Ivoire for cocoa) and therefore weather and diseases cannot affect world prices as much, tea markets are not subject to speculation and vertical integration in consumer countries contribute to stabilize prices at a low level. Yet the variability has been increasing since the 1970s.</p> <p>The prices seem yet to follow a cycle of approximately 7 years alternating price peaks followed by slower decreases. According to Oxfam International, these cycles could be attributed to exchange rates fluctuations and variations in demand<sup>88</sup>. Yet an FAO report states that supply shocks also play an important role. The price surges of 1976 and 1984 can be linked to the oil price peaks driving all commodity prices up, with the response of tea supply appearing with a certain delay since it is a perennial crop. The steady increase since 2006 would be due to a worldwide demand increase (particularly in emerging economies), followed by civil disturbances in Kenya and prolonged droughts in Kenya, Sri Lanka and India tightening global supply. The global increase in commodity demand (favoured by the weak US dollar and the expansionary credit policies in most OECD countries leading to increased speculation on commodity markets) drove tea prices up as well.</p> <p><i>Source: Tea Product Fiche</i></p>
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## EQ2 on the Commission's support in terms of agricultural commodity strategy development

To what extent has the Commission's support enabled the design of agricultural commodity strategies in commodity dependent ACP countries and regions?	
<b>J.2.1</b>	<i>The Commission has promoted commodity chains and addressing dependence as a priority in national strategies</i>
<b>TZ Tea</b>	<p>The Commission have had a strong and very close policy dialogue with the Government in terms of agriculture, especially in the sugar, tea and coffee sector, but also in trade. Before supporting agricultural commodities, initial sector analyses have been carried out in different sectors: sugar and coffee. It seems that this analysis was carried out for the tea sector, but due to no institutional memory this fact was not formally confirmed.</p> <p>While in the past agricultural policies – including cash crops – were left out from the attention of the Government and donors, they are again recognised as important at country level, but with a most strong attention to food crops. The Government adopted a SWAP approach. A national strategy in the agricultural sector (the ASDP), which was recently approved, leaves out more or less cash crops (sugar, tea, coffee and cotton) as they are in the hands of the private sector, even if the coffee and cotton sectors involve smallholders to a large extent. Sugar and tea are more in the hands of large estates.</p>

<sup>88</sup> Source : Oxfam international <http://www.maketrade4fair.com/assets/english/TeaMarket.pdf> online July 22 2010

	The value chain approach was however promoted in the latest agricultural strategy. This approach insists on the level of the production agricultural commodities, but also on the quality of commodities with a view to get higher prices.
I.2.1.1	Evidence that the CDDC-EU policy dialogue has included the competitiveness or diversification of commodity sectors
TZ Tea	Studies for reforms of cash crop sectors: Revision of the strategy by an external consultant to improve the national strategy of coffee of Tanzania. Very close dialogue in the coffee (and the tea) sector. <i>Source: MN 600</i>
J.2.2	<b><i>The Commission's support has stimulated the design of commodity strategies by CDDCs and their incorporation into national and regional development strategies</i></b>
TZ Tea	There are no evidences that the Commission carried out or ensured diagnostics of the competitiveness of agricultural commodity value chains in Tanzania. With the exception of the Tanzanian Crop Reforms which were supported under the FMO 94-99 (ASDP component) and to some extent the cotton sector, the Commission did not stimulate the design of agricultural commodities in Tanzania. There is no strategy adopted in the tea sector.
I.2.2.1	Evidence that the Commission ensured the availability of diagnostics of the competitiveness of agricultural commodity value chains (Domestic Resource Cost studies)
TZ Tea	He has never seen any diagnostic of the tea sector before starting EC support to the sector. There is no formal strategy for the tea sector. He did never hear about a strategy. <i>Source: MN 666</i>
I.2.2.2	Evidence that the Commission promoted the design of commodity chain strategies addressing needs and challenges identified in diagnostics and taking account of important transversal and cross-sectoral issues (environment, gender, corporate responsibility including child labour and other social rights)
TZ Tea	No strategy is available in the tea sector while there is one in preparation in the coffee sector. The Coffee sector have also produced action plans to cover the development of its activities. The EC has been consulted on the development of the marketing strategy of agricultural commodities in Tanzania Stabex supported the ASDP through the basket fund (this support stopped recently) and also to the FAO secretariat. <i>Source: MN 138</i>  We have strategy to grow tea production by smallholders. They are working on a new strategy for the next 5 years. Consultants should start in July 2011 to consult and draft this strategy. <i>Source: MN 662</i>  Strategy in the tea sector: there was one but not adopted/ agreed by all the stakeholders. No strategic plan at the moment for tea development in Tanzania. Tea Board has hired services of a consultant (who will start very soon) to tackle pricing issues and adopt pricing mechanisms; Tea research continues contract with farmers for extension services. <i>Source: MN 623</i>

<b>J.2.3</b>	<i>The Commission's attention paid to commodity chain strategies in CDDCs has had more results than could have been attained by MS alone</i>
<b>TZ Tea</b>	In Tanzania, there no evidence that the Commission supported agricultural commodities with added value to MS interventions in the same sector. However, the Commission has a long standing proven experience in Tanzania as far as cotton, coffee and tea are concerned.

### EQ3 on the Commission's coordination with international organisations including ICBs

To what extent has the Commission encouraged other international organisations including ICBs to adopt the Communications' approach to agricultural commodity chains?	
<b>J.3.1</b>	<i>Coordination with relevant international organisations has increased following adoption of the Action Plans</i>
<b>TZ Cotton Coffee Tea</b>	As far as agriculture is concerned, the Commission have participated to discussions with other donors. It is active in consultations for the tea and the coffee sectors. In addition, it supported the basket fund in agriculture (through STABEX) with four other donors, but stopped it. This limits its influence on the Government when discussing development of agricultural commodity value chains. In the cotton sector, the Cos cotton, which is supported through the All ACP Programme, have organised several meetings and trainings for all involved stakeholders, including those from Tanzania. This support has help to shape activities related to cotton in Tanzania.
<b>J.3.2</b>	<i>The Commission's interventions have been complementary to those of other donors in the field of agricultural commodities</i>
<b>TZ Tea</b>	The Commission is the only donor which has supported the tea sector. Before recently the Commission supported the basket fund related to agriculture with four other donors. This EC support to the basket fund stopped. The EC is still supporting the tea and the coffee sector. There is no evidence that this is made with complementarities with support from other donors.
<b>I.3.2.1</b>	Synergies have been noted between interventions supported by the Commission with those supported by other donors
<b>TZ Tea</b>	In Tanzania, the tea sector is supported by the EC only. In addition, five donors support a basket fund, which finances the Agricultural Support development Programme (ASDP) implemented by the Government. The EC was one of the donors through STABEX; but now the EC stopped support through the basket fund. In the ASDP, cash crops and food crops have been separated. Cash crops left to the private sector. The EU is member of the development actors. It is active in the broader consultative group, with a focus on tea and also coffee. Traditional support of EU to these cash crops (long-term crops) as long commitment/ support to tea and coffee. Addressing the whole value chain is a good point. Irish has started to address value chain too. The ASDP works in this area about market development/ private sector. The contribution of the private sector to the ASDP is important as far as value chains are concerned. The ASDP does not focus on one particular crop; more on more annual crops. A joint evaluation of DFID and Irish aid, focusing notably on agriculture, was

	<p>released. One of the findings was that the aid was too tied to GoT and missed some niche opportunities. More focus on CSO would be called for and this links also to their governance programme.</p> <p>2009 – Cocoa: projects started to the private sector implemented by Technoserv. Some good progress has been reached in terms of market access. There is no incentive to the farmer to start with the quality. They tried to connect farmers to US markets. This coming July (2011) Tanzanian quality products will be bought by Americans. It is beneficial to everybody: farmers (through revenue) and the Government (taxes). The EC did not support cocoa in Tanzania.</p> <p><i>Source: MN 195 and MN 623</i></p>
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#### EQ 4 on the Commission's support in terms of competitiveness of agricultural commodity chains in CDDCs

<b>To what extent has the Commission's support helped to improve the competitiveness of agricultural commodity chains in commodity dependent recipient countries?</b>	
<b>J.4.1</b>	<b><i>The Commission's cooperation programme has stimulated the creation of an environment conducive to increased competitiveness of agricultural commodity chains</i></b>
<b>I.4.1.2</b>	Evidence that essential related areas (private sector development, fiscal/tax policies, competition policy, land titling/ownership policies, judicial system, etc.) were supported by the Commission in complementarity to Government or other donors support
<b>TZ Tea</b>	Privatised companies, majority shares to investors and little shares to smallholders. In Uganda a new campaign to attract investors is launched. Why not in Tanzania? Land is very much available in Tanzania to grow tea. They want to see what is happening in Tanzania. <i>Source: MN 662</i>
<b>J.4.2</b>	<b><i>Commission support has contributed to increase agricultural commodity production and lower the average cost of production and processing</i></b>
<b>TZ Tea</b>	The bulk of the Commission support to agricultural commodities in Tanzania was devoted to sugar, tea and coffee. This support was especially devoted to research and infrastructures, but also capacity building. As a result, interventions supported by the Commission have allowed increasing agricultural commodity production in the coffee sector and in the tea sector and reducing production and processing costs in the coffee sector. In addition, interesting results have been obtained even if they are rarely sustainable. <u>Tea:</u> support to TRIT (research centre): infrastructures, equipment, trained smallholders and extension services, development of varieties resistant to diseases. Tea yields of improved clonal varieties using recommended crop husbandry yield up to 6080kgs/ha of green leaf compared to old bushes under poor management which yield only 610kgs/ha. However there still are huge challenges for smallholders in terms of access to seedlings and fertilizers, extension services, collection of green leaves, quality of the green leaves. A big issue is the price mechanism. Need to scale up. The Commission continues supporting tea research and coffee research through the Trade and Agricultural Support Programme (TASP, 2009).

<b>I.4.2.1</b>	Commission support contributed to stimulate research (in the field of production factors and producer access to them, and labour productivity) and the dissemination of research results to producers/producer organisations
<b>TZ Tea</b>	<p>Facilities historically based in Karicho as a regional research centre until the east African Community collapsed and then TZ was left with very weak activity research. Decision was then made to launch this research centre (around 1999). It was supported by DFID (ODA). Fortunately when DFID stopped funding (2001) the EU came in to assist TRIT to develop.</p> <p>Research (TRIT), which has been supported through Stabex funds, has not done so much against expectations (like Kenya). The limitations of TRIT are on the qualifications of manpower. At the initial stages, put more fellows to study more what we have to do. Kenya and India are faster than Tanzania to develop clones. TRIT started with less experience.</p> <p>The impact of TRIT on small producers has been very low. No expansion. The TRIT project allowed establishing Public Private Partnerships. The tea industry is signing a MoU (Memorandum of Understanding) where private sector contributes to the funding of research (PPP agreement). Factories pay 8 tsh per kg of made tea (to Districts to repair the tea roads) and 5.5 tsh per kg of made tea (to research). Smallholders pay 8Tsh/kg/MT for contribution to the smallholder Association. Now are questioning what really the benefits to smallholders of stopping the cess were.</p> <p>EC support to three areas to the tea sector: farmer training, smallholder nursery scheme and support to research. The EC support allowed developing new clones of varieties of tea, irrigation, water, etc. Extension methodologies at cost recovery basis. Currently ongoing discussions between stakeholders on agreement between producers and researchers to continue this research and fund it.</p> <p>However, impact to producers is really questionable. In addition, there is still a lack in terms of extension services, even if there is one success story in Rungwe where there is a dedicated group of farmers. Extension services are not funded by EU but by farmers. Farmer associations must get impacts. EU should invest in farmer organisations as farmers are not organised. Need to mobilize farmers to organise themselves. Initiative of the Government in 2000 to encourage farmers to organise themselves. When they are organised, need to put provisions to allow farmers buying shares in factories. Need to train farmers and then they will grow.</p> <p>On TRIT and nurseries: the impact of nurseries is not noticeable. We should have one large nursery then giving to farmers and then monitor what happens to these seedlings</p> <p>Technology Transfer Programme (TTP): the issue is transferring technologies to all the tea producers. Irrigation helps tea producers to grow this production. Stabex has been also used to build laboratories for tea research.</p> <p>The Trade and Agricultural Support Programme (TASP, 2009) is supported by the EC and focus on tea and coffee.</p> <p><i>Sources: MN 666, MN 673, MN 602, MN 138, MN 623 and MN 603</i></p> <p>The EC support TRIT, the Tanzanian Research Institute for Tea with Stabex funding since 2001 (TRIT started operations in 1998) to the amount of €6.5 million (with another €1,03 million for 2011/12 under TAP). Although the support has had positive results in its three areas of support (research facilities and housing, establishment of nurseries and training of farmers and extension workers), the smallholder benefits seem so far to be very limited. Excepting one region where the</p>

	<p>private sector has recruited TRIT to provide extensions services directly, the training of farmers is very limited. There is no follow-up on labour productivity, incomes, production and use of plants except for the one limited area where TRIT is contracted for private use. The dissemination of research results remains limited and the EU recognises this and has responded with an extension of support to TRIT from EDF 10 funds.</p> <p>The sustainability issue looms large: the EU did not integrate an exit strategy into its support.</p> <p>Sources: MN697, MN625</p> <p><i>“Tea yields of improved clonal varieties using recommended crop husbandry yield up to 6080kgs/ha of green leaf compared to old bushes under poor management which yield only 610kgs/ha.”</i></p> <p>Source: EVALUATION OF ACTIVITIES FUNDED BY 1994/99 STABEX TRANSFERS, 2007</p>
<b>UG coffee tea</b>	Thanks to EU funding, coffee varieties resistant to the Wilt Disease were created. EU has also supported research for oil seeds and tea. (source: MN305)
<b>I.4.2.2</b>	Commission support contributed to improve production factors and farmers access to them (e.g. extension services/agricultural techniques, water, fertilizers, seeds, energy)
<b>TZ Tea</b>	<p>The most important challenge in the tea sector and for research in particular is the dissemination of research results to farmers: in Rungwe tea sector stakeholders (estate, smallholder growers and factory) have contracted TRIT to provide extension services (10-15 people are employed by TRIT and placed in Rungwe). The experience is very positive and it would be good to push TRIT to do this with more factories.</p> <p>However, on the whole the support to research has had very limited impact:</p> <ul style="list-style-type: none"> <li>▪ OK in training extension agents technically but nothing on how to approach the farmers and how to get them to adopt the technologies. So not enough efforts are made to pass the knowledge on to farmers.</li> <li>▪ TRIT getting some results on cloning</li> <li>▪ Lots of research effort on irrigation but irrigation hasn't really been used</li> <li>▪ Nursery: many plants are developed but how many have actually been planted? Should have seen an increase in area planted but nothing there to show that it has served to increase number of tea bushes and how these are managed. There has been no monitoring of the nursery programme (follow-up with farmers benefiting).</li> </ul> <p>On the whole the effectiveness of support was limited due to the research institute not considering the links between research, farmers and private sector. One of the tea growing associations near the research centre benefited from the supply of 300,000 tea seedlings; the nursery shed was built by the farmers association.</p> <p>The quality of the green leaves is difficult to obtain due to the difficult access to fertilizers, an ineffective collection system and the limited factory capacities. The price of fertilizers is very prohibitive to smallholders.</p> <p>There is no irrigation and yields and quality go down when there is not enough rain. The issue is that we do not have enough volume and we can not answer demand for green leaves. Expansion of estates is not going to happen because of the costs of infrastructure (housing for staff).</p>

<p>Long attempts (three-six months) to assist growing extension staff. The trainees sometimes abandoned the training and decide to produce other crops. Need to support the farmers. TRIT did not make it and there is very little impact in that sense. Training has had very little impact on farmers and government staff has to deal with many other crops.</p> <p>The challenge is to focus on extension services. Need to train trainees/ specialists to help farmers to grow properly tea green leaves. How finance it? This is the problem. They have addressed demand to the Chai Project.</p> <p>TSHTDA, created in 1997 (operational in 2000), is a government organisation dealing with promotion of tea producers by small farmers. The aim is to facilitate extension services to smallholders, to facilitate tea production in new areas, and to facilitate position of smallholders to factories. Created after the wave of liberalisation.</p> <p>Tea Board designed for Regulation issues and TSHTDA designed for Promotion issues.</p> <p>Until after the independence, smallholders were not allowed to produce tea. After independence, smallholders have been introduced to tea production. 50% of the area (12,000 Ha) under production by 30,000 small holders but their productivity is very low. Additional production from smallholders to production of estates.</p> <p>During the 1970s and 1980s the WB extended loans for the construction of 6 factories and to plant 11,000 Ha. Then in the 1990s the sector was liberalised and smallholders got some minority shares in factories. The future of tea industry in Tanzania is based on smallholders' shoulders. The rate of expanding tea production amongst smallholders is quite low at the moment.</p> <p>It is very interesting to note in the WB's appraisal report for its project in 1990 that according to the WB three main constraints need to be addressed in the smallholder tea sector:</p> <ul style="list-style-type: none"> <li>▪ Increased green leaves production in order to have higher factory use</li> <li>▪ Maintenance of adequate price levels for green leaves from smallholders and access to inputs and support services</li> <li>▪ Adequate maintenance of feeder roads</li> </ul> <p><i>'Smallholder production increases should be achieved if GL prices remain attractive to growers and if input supplies will be made available, supported by stronger extension services'</i> In estates the main constraint is labour shortage (NB: exactly the same can be said now, 20 years later and after sustained support from the EU to one element of the value chain)</p> <p>Organisation of farmers and extension services:</p> <ul style="list-style-type: none"> <li>▪ In 2000, they created association to organise of farmers. The association has been useful notably to negotiate prices. There currently are 14 associations.</li> <li>▪ Five zone offices with tea extension specialists; extension staff provided by the government. But extension is still a problem: 1) shortage of extension staff; 2) general extension staff, not working fully on tea (knowledge of tea is limited to a very minimum) and not answerable to TTA. The set-up of the extension services is not really good.</li> </ul> <p>Major problem is not extension, it is the access to inputs (no financial institutions to help farmers obtain financing). Farmers are not paid enough and fairly for their production. To fix one price at the beginning of the year is not fair. Tea is produced all along the year. In Kenya, smallholders own the processing industries. This is a different picture in the tea sector in Tanzania. It is difficult to convince young farmers to grow tea. Need to create the value chain in the tea sector by and for smallholders. The Government does not take care about the price things. On tea the major inputs are green leaves but they are not paid at the fair price. If the EU</p>
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	<p>assists in that area things can be changed. Farmers need to get involved in processing and marketing. Not having shares in the factories is a big problem. Need to use fertilizer. They (Tea Board) are negotiating with the Chai project to provide money to define a loan system to make farmers able to buy fertilizers and with the GoT for fertiliser subsidies. Currently the planting material is already subsidised so would provide subsidised fertilizer in the same package. The price of fertilizers is really high and currently smallholders do not use fertiliser on tea.</p> <p><i>Sources: MN623, MN 697, MN 662, MN 666, MN 673, MN 164, World Bank report</i></p>
<b>I.4.2.3</b>	Commission support contributed to increase agricultural commodities crop yields, crop quality and quantity
<b>TZ Tea</b>	<p>One of the tea growing associations near the research centre benefited from the supply of 300,000 tea seedlings; it expanded the number of seedlings to 1.3 million. This started smallholder tea production on a much larger scale:</p> <ul style="list-style-type: none"> <li>▪ Increase the number of association members who produce tea in the region (from initial 174 to 590 now)</li> <li>▪ Increase the tea production (from 856,829 to over 2,1 million in 2010)</li> <li>▪ Increase the productivity</li> </ul> <p>Tea production and productivity are increasing. Areas under tea are increasing, mainly because they have no other opportunities (except in few regions where they can grow bananas). For farmers, tea is food as tea provides money to get food. Tea is the core business for these farmers</p> <p>Roads are not very good to transport tea to factories. Factories go to get leaves to the farmers. This is reflected in the tea factory production costs, which may explain the low price of green leaves.</p> <p>In some regions smallholders have been really benefited from TRIT interventions. In some areas where TRIT did not intervene, there is no impact (e.g. Kagera). All the smallholders have not benefited from TRIT interventions (just some of them). New clones have not yet been developed. It is only in the process. It takes twenty years to get your own clones. TRIT has 15 years of experience.</p> <p>EU funding of TRIT has done something to farmers to the long run. You can see all the benefits know (e.g. soil fertility analysis, etc.). Benefits will be seen in the near future. When the price issue is sorted out the benefits will be better to smallholder farmers. If the tea price issue is not solved to farmers, benefits will be very small, even close to zero. For example, it will be better to grow tomatoes, because will be paid directly. They will switch out from the tea sector. Need to collect leaves in time and pay farmers in time.</p> <p>The issue of quality is tackled with Maximum Residue Level standards for fertilizers. Tea Act with farmers to use properly fertilizers (to avoid fertilizers they received is used and not sold by farmers). Try to get ISO2720 and obey safety regulations and maximum residue level standards -&gt; all international standards. Also try to ensure fair play where factories have provided inputs to smallholders: contract farming is included in the Tea Act.</p> <p><i>Source: MN 623, MN 666, MN 164, MN 662</i></p> <p><i>“Tea yields of improved clonal varieties using recommended crop husbandry yield up to 6080kgs/ha of green leaf compared to old bushes under poor management which yield only 610kgs/ha.”</i></p> <p><i>Source: EVALUATION OF ACTIVITIES FUNDED BY 1994/99 STABEX TRANSFERS, 2007</i></p>

I.4.2.4	Commission support contributed to improve infrastructures (e.g. feeder roads) related to agricultural commodity production, collection and processing
TZ Tea	<p>The EC did not support collection and processing of tea green leaves. Farmers were denied when privatising the tea sector in Tanzania. The best would have been to privatise and push and help farmers to manage private factories. 21 tea factories, including 16 ones owned by multinationals and with estates. Multinationals have always been there in the country. 5 factories are under the Tanzania Tea Authority and have outgrowers schemes with small-scale farmers.</p> <p><i>Source: MN 666</i></p>
J.4.3	<b><i>Commission support has contributed to improve the capacity of producers to respond to commodity market requirements</i></b>
TZ Tea	<p>The interventions financed by the Commission have contributed to improve the quality of agricultural products, especially in the cotton sector where the measurement of the quality of cotton has been launched at regional level. Price mechanisms and information about the price to smallholders are still major issues at stake in the tea sector, while for the coffee sector there is a system to communicate market information from the Moshi auction.</p> <p>There is no evidence that the EC support has contributed to increase the number of producers' organisation, except in the tea sector. In that sector, it is reported that the number of association members, which produce tea in the surroundings of the tea research institute, has grown from 174 to 590.</p> <p>A lot of questions are raised about the issue of sustainability in all the sectors supported by the EC. For example, there is still a need to continue to support the research centres and extension services. In addition, a lot of constraints are met in all the sectors (access to inputs, quality of the products, how to finance the production, etc.).</p>
I.4.3.1	Commission support contributed to improve availability and use of market information and advisory services to producer organisations/producers (e.g. agricultural commodity prices, quality standards, packaging, timely delivery, etc.) at national and regional level
TZ Tea	<p>The availability of market information about tea prices and more specifically the costs entailed in the processing of tea is one of the major stumbling blocks for smallholder farmers who have to accept the low prices offered by tea factories and have no (or very little) say in the matter of pricing. The EU support has not taken this angle into account at all in its support so that there is an inherent contradiction in supporting research and training for a crop which price is not attractive to smallholders.</p> <p>Another failure of the support to the tea sector is the links with extension workers whereby the research does not translate well into technology transfer (seedlings are provided but there is no systematic follow-up in terms of extension work).</p> <p><i>Sources: MN164, MN697, MN662, MN673</i></p>

<b>I.4.3.2</b>	Commission supported interventions contributed to an increased number of producers/ producer organisations having direct contracts with supermarket chains and/or are certified with a label
<b>TZ Tea</b>	<p>There is no evidence that the EC support has contributed to increase the number of producers' organisation. However, one success story to tea small farmers though TRIT assistance: Rungwe. Also in Mufindi, Mkongwe block farm where the smallholders have transformed into a commercial entity. Also in terms of transport of tea: small farmers can bring their tea production to factories.</p> <p><i>Source: MN 623</i></p> <p>In the smallholder tea growers association near the research centre which benefited from an initial endowment of 300,000 tea seedlings to set up a nursery, the association's members claim that there has been:</p> <ul style="list-style-type: none"> <li>▪ Increase the number of association members who produce tea in the region (from initial 174 to 590 now)</li> <li>▪ Increase the tea production (from 856,829 to over 2,1 million in 2010)</li> <li>▪ Increase the productivity</li> </ul> <p><i>Source: MN 164</i></p>
<b>I.4.3.4</b>	Commission support contributed to increased foreign direct investments in the commodity chains, including public-private partnerships, and promotion of sustainable development through social and environmental codes of conduct
<b>TZ Tea</b>	In the Tanzanian tea industry the estate sector (mostly owned by multinational companies) owns the processing factories. There is as yet only one single instance where smallholder producers have a stake in a processing factory. By and large there is thus no PPP as yet although this is seen as one of the main constraints to the extension of tea production by smallholders (not having a stake in the factory means that smallholders cannot bargain for the price at which they sell their green leaf, they don't know what the factory's production costs are and are thus at the receiving end of the price chain.
<b>I.4.3.5</b>	Evidence that Commission supported activities towards improved competitiveness were coordinated with and complementary to the activities of other donors in the same areas
<b>TZ Tea</b>	There are no other donors supporting Tea in Tanzania.
<b>I.4.3.6</b>	Evidence that obtained results in terms of increased agricultural production and producers' capacity to respond to commodity market requirements outlast Commission support
<b>TZ Tea</b>	<p>There is an issue in terms of sustainability as far as Stabex funds are concerned. This concerns TRIT.</p> <p>Major constraints of the tea sector: sustainable inputs for smallholders. Processing factors for smallholders are a challenge also. Thirdly, the area of tea plantations will need irrigation due to climate change. Then the price to smallholders.</p> <p>Major constraints for small-scale tea farmers: 1) production and sell price -&gt; cost of production; 2) shortage of extension staff; 3) expensive inputs (farmers can not afford inputs).</p> <p>The Government is financing TRIT beyond of farmers. It is paying about 600 millions tsh to TRIT for salaries and other activities. The private sector (TAT) pays 200 millions tsh. TAT owns TRIT: TRIT is private sector. The issue of sustainability</p>

	<p>of TRIT is really in question. Smallholders feel paying TRIT to the Government contribution. GoT should have a say in what TRIT does since it pays the salaries. The future is very bleak actually. TAT owns TRIT. TRIT is a private company. In 2000, the Government abolished assistance to research. The Tanzania tea industry is young. Coffee is bigger than tea; coffee can afford research costs, but not tea production. That is why the Government put money in tea research through TRIT. The Government is under the process to define what to do in the tea sector. Into the field there is not that much to help smallholders. Farmers are represented in TRIT through the TSHTDA which sit on the TRIT Board but that are not powerful. They are a minority.</p> <p>Challenges: low productivity and low price of green leaves tea and made tea because of low quality of tea. Technology: needs for more tea clones as they are more productive and of better quality. Clones are produced now by TRIT to fill gaps in Tanzania. The Government decides to give funds to tea small farmers to produce clones (2007-2008).</p> <p><i>Sources: MN 623, MN 666, MN 673, MN 138, MN 662</i></p>
<b>J.4.4</b>	<b><i>Incomes of producers, sector and countries have improved as a result of Commission's support to the implementation of commodity chain strategies</i></b>
<b>TZ Tea</b>	Globally incomes of producers are not assessed in the framework of interventions supported by the Commission.
<b>I.4.4.3</b>	<p>Evidence that income levels at producer level and within the agricultural sector as a whole have stabilised and increased through:</p> <ul style="list-style-type: none"> <li>▪ The increased competitiveness of the agricultural commodity production</li> <li>▪ A diversification of the sources of income of the agricultural sector through expansion of agricultural commodity value added</li> <li>▪ Higher export earnings</li> </ul>
<b>TZ Tea</b>	<p>Tea nurseries have been developed. Farmers have been able to do money savings. In other words, farmers' income has been increased. This has enabled the construction of the offices for the association's board, the construction of a dispensary and houses for doctor and nurses and set up a lending scheme. Farmers mentioned also that 27 children have been sent to university due to incomes' increase related to tea production.</p> <p>Revenues from the sales of tea leaves have also allow purchasing a truck to transport green leave. They are currently embarking on a GL weighing center in association with the Tea Board and the district.</p> <p><i>Source: MN164</i></p>
<b>I.4.4.4</b>	Producer/ farmer organisations and producers views on the effectiveness of increased competitiveness as an income increasing and stabilising tool and on the benefits from improved access to regional and international markets
<b>TZ Tea</b>	<p>Competitiveness of the tea industry in Tanzania: sometimes we are more competitive (e.g. against Malawi). Tea is volume, exchange rate and quality.</p> <p><i>Source: MN 673</i></p>

**EQ 5 on the Commission's support to risk management**

To what extent has the Commission's support contributed to protect agricultural commodity producers from income variability through risk management and/or social safety nets?

**J.5.1** *Commission support has contributed to the development and implementation of risk management and compensatory tools*

**I.5.1.6** Evidence that the Commission supported interventions related to risk management at micro-level in order to better cope with agricultural commodity price variability

**TZ Tea** The price of green leaves needs to be discussed. Somewhere we will come to a solution to the price. The problem is the mechanism of the discussion of the price. The price setting is more political than business now. It is done in a general meeting but you need a technical meeting to do it.  
Tea Price: possible to 300 tsh/ kg. Need to have an independent study on prices and costs of the value chain. Nothing has been done so far to increase prices to farmers. The study should bring solutions: mechanisms to follow prices and regulate better. Also should be considered the possibility of having smallholders have a stake in the factory.  
Tea Prices are made indicative by Tea Board once year with consultation with stakeholders. Minimum price at the moment: 110 tsh/ kg of green leave. There is no basis to decide the minimum price. There are no pricing mechanisms. Then from this indicative price (which is really a minimum price), each factory negotiates separately with their producers. *Source: MN 623, MN673*

**EQ 6 on the Commission's support to diversification**

To what extent has Commission support helped producers, the agricultural sector and commodity dependent ACP countries to successfully diversify around traditional products?

**J.6.1** *The Commission's support has facilitated the analysis of Government's policy choices aiming for diversification and growth*

**UG tea** In the 2<sup>nd</sup> half the 90s, EC made a major contribution to the rehabilitation of the tea sector. The EC with other donors supported the design by the government of its agricultural sector strategy (PMA) which aimed at promoting a zonal level enterprises well adapted to the agro-ecological conditions

### EQ 9 concluding on the relevance of the 2 COMs

<p>To what extent has the Commission's support to agricultural commodities been:</p> <p>(xiii) responsive to the needs, problems and issues of commodity dependent ACP countries,</p> <p>(xiv) aligned to and supportive of the policy objectives and priorities of recipient commodity dependent ACP countries and regions, and</p> <p>(xv) consistent with and supportive of the objectives of the two communications COM(2004)89 and COM(2004)87<sup>1</sup>?</p> <p><sup>1</sup> COM(2004)89: 'Agricultural Commodity Chains, Dependence and Poverty – A proposal for an EU Action Plan'; COM(2004)87: 'Proposal for an EU-Africa partnership in support of cotton sector development' and its associated Action Plan (Action plan for the implementation of the EU-Africa Partnership for cotton)</p>	
<b>J.9.1</b>	<i>The interventions supported by the Commission in the field of agricultural commodities have been designed as a response to the country's needs, problems and issues</i>
<b>I.9.1.4</b>	Views of stakeholders on appropriateness of needs identified and on the priorities chosen with respect to the needs identified as well as on their ownership of Commission-funded activities
<b>TZ Tea</b>	In the tea sector it appears that the EC has not identified the sector's constraints and needs. There is no institutional memory about the justification of the EU support to research. From the current perspective, there are two main problems which are linked: (i) the price of green leaf to smallholder growers and (ii) the link between factories and smallholder growers. The sector's dynamics (including institutional and policy frameworks) have not been properly assessed by the EU so that the focus has been put on research rather than on addressing the fundamental problem of price of green leaf and stake of shareholders in the processing which is stopping smallholder produce from increasing. Focus on research doesn't give farmers effective support. Constraints to the sector are (i) extension services are non-existent; (ii) the Tea Board is very weak and there is no effective regulation and most importantly (iii) the GL price has been set at very low levels. This has not been addressed by EU support. <i>Source: MN697</i>
<b>J.9.3</b>	<i>Over the period 2004-2009, the choice of interventions supported in the field of agricultural commodities is aligned to the objectives of the two Communications and has helped their achievement</i>
<b>UG tea</b>	COM(2004) 89 is not currently a reference document for the Delegation. However, EC cooperation activities in the agriculture sector did not contradict the COM objectives: <ul style="list-style-type: none"> <li>▪ Importance given to exports commodities (tea, coffee)</li> <li>▪ Improvement of productivity and quality as a response to the declining price trend in the coffee sector</li> <li>▪ Diversification of income sources of the farmers</li> <li>▪ Attempt to develop risk management instruments</li> <li>▪ Organization of the coffee marketing chain in order to better respond to international market requirements</li> </ul>
<b>I.9.3.1</b>	EC stakeholders know the COM (2004) 89 and the COM (2004) 87 and have designed interventions taking into account the strategy defined in the COMs
<b>UG tea</b>	The COMs were probably sent to delegations when they were produced but the EC delegation doesn't know them. The COM(2004) 89 is thus not currently a reference

document for the Delegation. However, EC delegation thinks to be in line with their priorities EC cooperation activities in the agriculture sector did not contradict the COM objectives:

- Importance given to exports commodities (tea, coffee)
- Improvement of productivity and quality as a response to the declining price trend in the coffee sector
- Diversification of income sources of the farmers
- Attempt to develop risk management instruments
- Organization of the coffee marketing chain in order to better respond to international market requirements


*Sources: MN 301 and 313*





# Vanilla - Product Fiche

## 0. Identification of the product

	<ul style="list-style-type: none"><li>▪ Vanilla</li><li>▪ <i>Vanilla ssp.</i> (mainly <i>Vanilla planifolia</i>, <i>Vanilla pompona</i> and <i>Vanilla tahitiensis</i>)</li></ul> <p>The pods of the vanilla orchid are used as flavouring spice either whole, in powder or extracts. The aroma it provides is the result of a mix of hundreds of different compounds among which vanillin is the most important.</p> <p>Vanilla is widely used for flavouring ice cream and other preparations such as chocolate, custard, caramel, coffee and others.</p> <p>The cosmetic industry also uses vanilla extracts to make perfume.</p> <p>Given the high price of natural vanilla, most of the cheaper preparations use synthetic vanillin, a substitute which accounts for approximately 13 percent of the vanillin market.</p>
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## 1. Commission support to vanilla

Commission support to vanilla over 2000-2009 has been as follows (in Euros):

**Table 41: Commission support to vanilla per country**

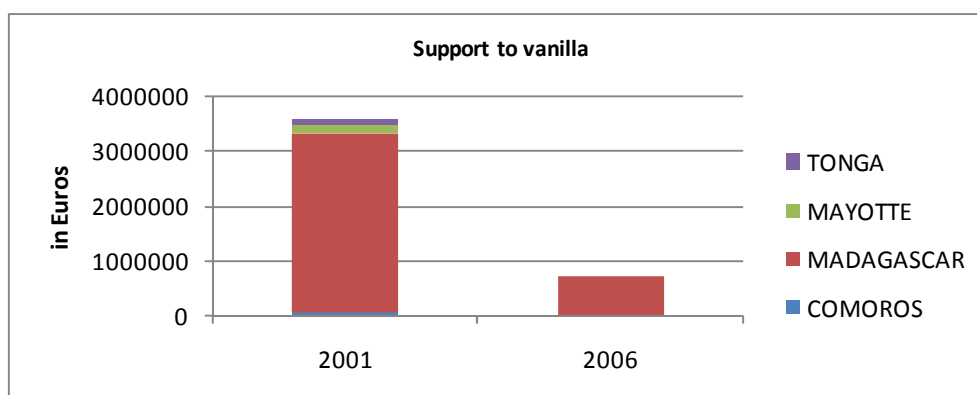
Countries	Planned amount
COMOROS	52,915
TONGA	96,116
MAYOTTE	168,404
MADAGASCAR	3,975,753
<b>Grand Total</b>	<b>4,293,188</b>

*Source: ADE Inventory based on CRIS*

All support to the vanilla sector stems from Stabex transfers.

Given that all support to the vanilla sector stems from Stabex transfers, it is by default included in priority 3 (risk management) but actual uses of funds (per area and priority) would need to be checked on a case-by-case basis; this was done only for Madagascar where a field visit was undertaken.

**Table 42: Evolution of contracted amounts per year per country, 2000-2009**



*Source: ADE Inventory based on CRIS*

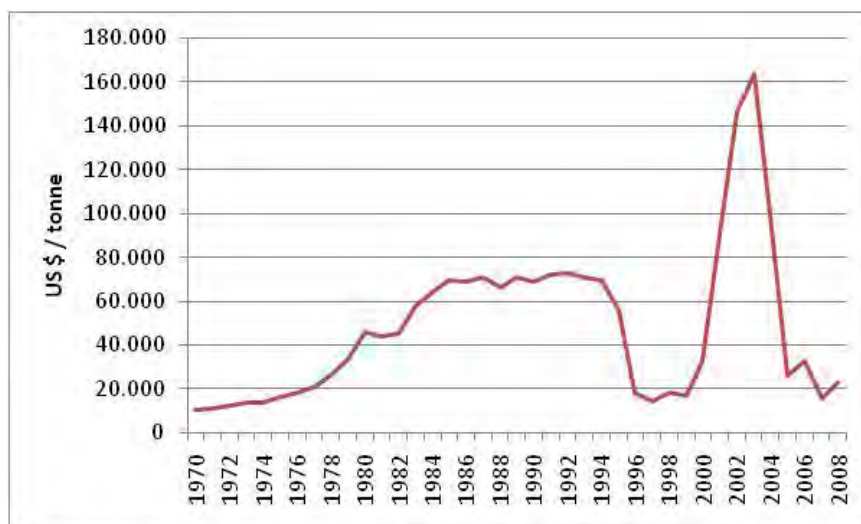
## 2. Main characteristics of the sub-sector

### 2.1 Vanilla prices

The only price series available for vanilla are those for the vanilla from Madagascar given in the graph below. Since production is highly concentrated in certain regions, vanilla prices have historically been influenced by natural disasters. According to the IFAD, price surges due to cyclones (e.g. the devastating cyclone Hudah that hit Madagascar in 2000) have also had harmful effects on the long term, such as an increasing diversion to synthetic vanilla by

importers and increased opportunities in other producing regions such as Indonesia and India.<sup>89</sup>

**Graph 64: Evolution of Malagasy vanilla export prices**



Source: FAOStat

## 2.2 Evolution of vanilla production

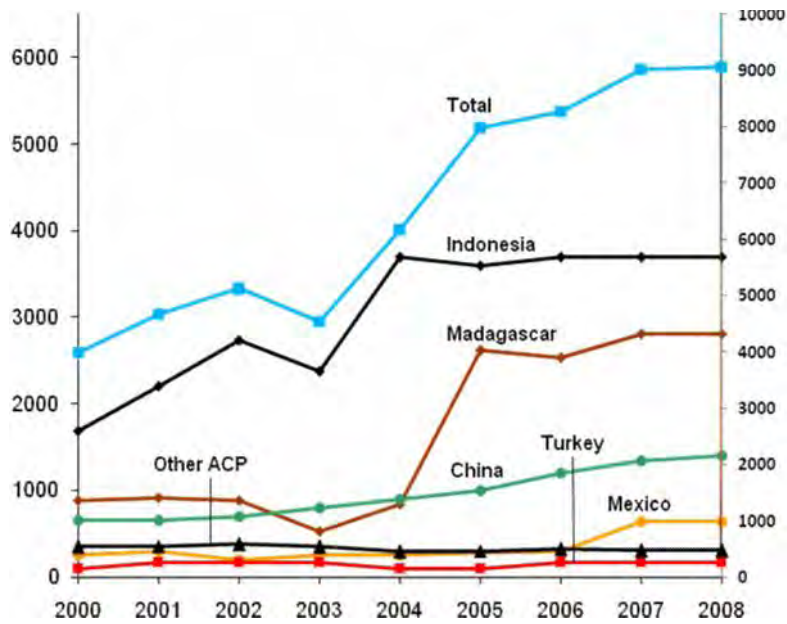
Vanilla is a very labour-intensive crop and is therefore ill-suited for large-scale plantations. World production counts between 50,000 and 100,000 farmers.<sup>90</sup>

The evolution of production throughout the 2000s in the world and in the main producing countries is represented in graph below.

<sup>89</sup> <http://edition.cnn.com/2010/WORLD/africa/07/09/madagascar.vanilla.industry/index.html#fbid=BKgU1OmSgrq&wom=false>

<sup>90</sup> <http://www.foodnet.cgiar.org/market/Uganda/reports/Vanilla.pdf>

**Graph 65: Vanilla production from 2000 to 2008**

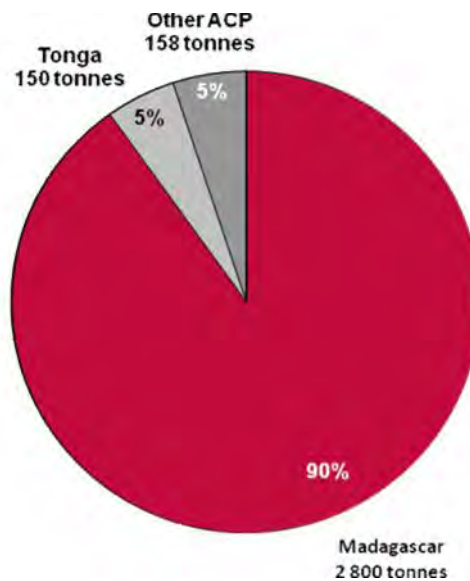


Source: FAOStat

World vanilla production has more than doubled between 2000 and 2008, with the largest share of the increase due to Indonesia and Madagascar in 2004 and 2005.

The shares of ACP vanilla production in 2008 are represented on graph below.

**Graph 66: Shares of ACP vanilla production in 2008**



Source: FAO

Source: FAOStat

Madagascar is by far the ACP region's largest producer, accounting for 90% of ACP production in 2008.

### 2.3 Evolution of vanilla markets

Sources mention that prices in Madagascar (historically the world's most important vanilla producer) have been marked by instability and low farm gate prices throughout the colonial period. Starting from 1962, a stabilisation fund was created and a cartel – the Vanilla Alliance – was formed with the Comoros and Reunion.

These measures provided positive results in the 15 years that followed. After Madagascar's revolution of the mid-1970s however, policy capture, rent seeking, inefficiency and corruption led to confiscatory export taxation, with farmers capturing less than 8% of the FOB price. The high world price led to Indonesia's successful entry as well.

In 1995, Madagascar's government adopted stabilisation, liberalisation and privatisation reforms. Since then, government intervention has been reduced to coordination and quality control. Nevertheless, particularities of vanilla markets (e.g. quality and asymmetry of information issues) are considered to justify government interventions if opportunistic behaviours could be controlled.

It seems however that the reforms have had negligible impacts on farmer incomes and that they have been drowned by the world price volatility.<sup>91</sup>

Vertical integration of the vanilla markets between farming and processing is considered to be practically nonexistent.

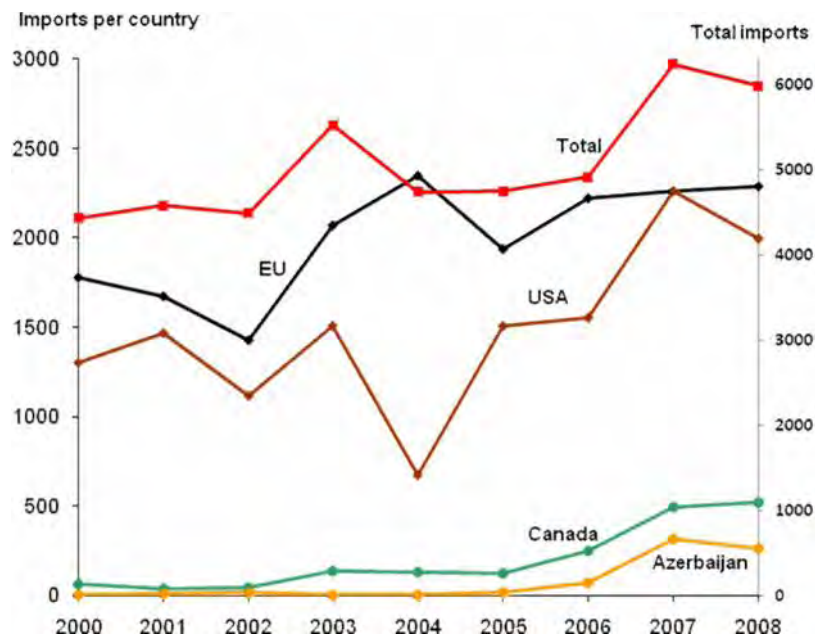
The vanilla packing sector is highly concentrated. In the 1990s, there were about 45 packers of which 5 controlled most of the business. The procurement of processed beans is dominated by less than ten multi-national companies.

Trade over the past decade has been dominated by the EU and USA on the import side and by Madagascar on the export side. Graphs of imports and exports are represented below:

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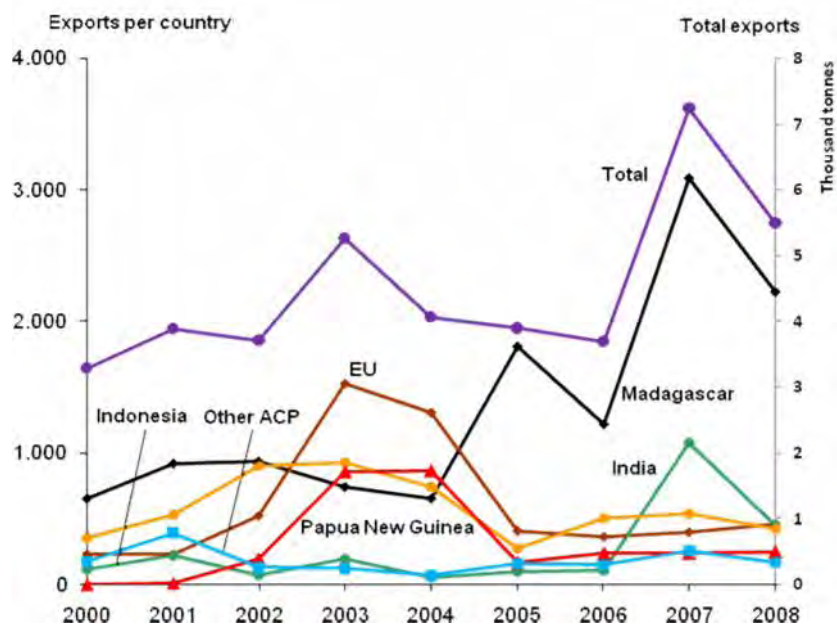
<sup>91</sup> World Bank, The elimination of Madagascar's vanilla marketing board ten years on

**Graph 67: Vanilla imports from 2000 to 2008**



Source: FAOStat

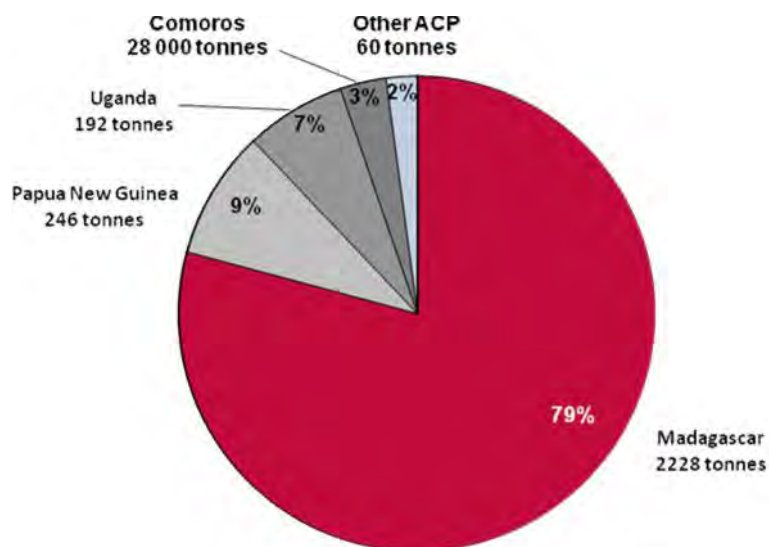
**Graph 68: Vanilla exports from 2000 to 2008**



Source: FAOStat

Madagascar's share of vanilla exports among ACP countries has always been the largest. Other key exporters among ACP countries include Papua New Guinea, Uganda and the Comoros.

**Graph 69: Shares of ACP vanilla exports in 2008**



Source: FAOStat

## 2.4 Marketing schemes within visited country

The vanilla industry and the marketing structures in Madagascar are poorly structured. Moreover, no vanilla strategy has been implemented by the authorities or the operators with the view of being integrated in the worldwide market and ensuring the leadership on this market due to several reasons (cf. 2.5).

## 2.5 Challenges identified in visited country

Madagascar is the second worldwide producer (about 45% of the world production in 2008) and is by far the ACP region's largest producer (90% of ACP production in 2008). Nevertheless, the vanilla sector in Madagascar is declining for several reasons that can be viewed as challenges :

- The four competitors of Madagascar have won market shares thanks to an offensive strategy on prices
- As can be seen on the Graph 64, the Malagasy vanilla average export price was multiplied by 10 between 1999 and 2003 from 17.0 US\$/Kg to 163.8 US\$/Kg. This price surge prompted a large production increase. According to FAO estimates, Malagasy vanilla production jumped from an abnormally low level of 525 tonnes in 2003 to as much as 2,600 tonnes in 2005. In addition to favourable weather conditions and the incentive of high prices, Stabex projects contributed to this production increase through their support to new plantations. Consequently prices fell sharply in response and led to a lack of interest of farmers. In addition, in 2006/07 and 2007/08, exporters built stocks to prevent a further rise in purchase prices.

- The demand for natural vanilla has decreased by 40% in 2005 due to the development of biosynthetic vanilla. One way to prevent this would be to certify the Malagasy production.
- The sector is poorly structured and the vanilla is not a priority for the Malagasy government.

### **3. Summary of the main findings arising from the desk and field analysis for the vanilla**

#### **3.1 Importance in analysed country**

Vanilla represented 15% of Madagascar's total exports in 1985 and 10% in 2005 (J.1.1). Madagascar is the second worldwide producer (about 45% in 2008) and is by far the ACP region's largest producer (90% of ACP production in 2008).

#### **3.2 Commission overall support**

The Commission didn't specifically implement projects to tackle the constraints due to vanilla price decline and variability but they tried with Stabex projects to contribute to this objective through a strengthening of the market organization and the reinforcement of the farmers' capacity to face these constraints (J.1.3).

#### **3.3 Commission support to strategies**

No vanilla strategy has been implemented by the authorities or the operators with the view of being integrated in the worldwide market and ensuring the leadership on this market (J.1.3). Indeed, the government is only focussed on staple crops. Nevertheless, the Commission has supported vanilla projects and the regional administrations in the vanilla producing areas to pay attention to exports crops but without any clear strategy (J.2.1 and J.2.2).

#### **3.4 Commission support to competitiveness**

The Commission support in Madagascar, initially focused on the production, has gradually been extended to the whole value chain of exports products, notably vanilla, including marketing, research and extension with a view of improving productivity, quality and the efficiency of the value chain (J.4.1). Indeed, the Stabex projects in Madagascar have contributed to organize markets and to promote quality-related pricing as well as transactions' transparency (J.4.1). They have also contributed to improve the vanilla production in terms of quantity and quality as well as the marketing process through market organization (J.4.2) although vanilla prices have decreased in response to the production increase worldwide (including in Madagascar) and the competition of synthetic vanilla. The Stabex projects have supported the vanilla producers' organisations in Madagascar to improve the quality of the production and to organize the market in order to better meet market requirements (J.4.3).



However, these results are very localised and only the AIM project delivered sustainable results. Results achieved locally have not been extended to other areas and only the AIM project succeeded at involving the local authorities in the market organization (J.4.1 to J.4.3).

Moreover, the income of vanilla producers in Madagascar has decreased as a consequence of the price fall although the development of other exports crops (litchis, cloves) promoted by Stabex projects has somewhat diversified the sources of farmers income and the distribution of their revenue throughout the year. The low price of vanilla represents a serious threat to the sustainability of the projects and quality-related pricing does not compensate for the overall downward movement of the vanilla price (J.4.4).

### **3.5 Commission support to risk management**

The Commission have not supported risk management so far in Madagascar, except under the Food Security line. The Commission delegation is considering the establishment of practical tools related to risk management (insurance) but nothing has been done in this area so far (J.5.1).

### **3.6 Commission support to diversification**

Although the Commission has supported vanilla projects (with a view to diversify farmers incomes) and the regional administration pays attention to exports crops, there is no vanilla or diversification strategy implemented by the government, whose agricultural policy is exclusively concentrated on the staple crops. Numerous strategy documents regarding exports crops (including vanilla) have been produced but have never been implemented (J.6.1).

### **3.7 Different financing instruments in interventions**

The Stabex programme was one of the few but very significant undertakings to relaunch the commodity chains, notably the vanilla value chain, in Madagascar (J.8.1). The Stabex and the FRDA-CSA (EDF funded) approaches, the first one commodity-oriented while the second one supports the overall agricultural development, are potentially complementary and coherent with the needs identified in the vanilla sector but this complementarity is only effective at the local level and not at the national one (J.8.2).

### **3.8 Alignment with the beneficiaries' needs, priorities and with the COMs**

The Stabex and the EDF funded (including extension services) approaches are potentially complementary and coherent with the needs identified in the vanilla sector (J.9.1).

## **4. Overall assessment**

The Commission tried with Stabex projects to contribute to relaunch and support the vanilla sector in Madagascar. Initially focussing on production, the Commission support has in a second period been extended to the whole value chain of exports products, notably vanilla, including marketing, research and extension with a view to improving productivity, quality and the efficiency of the value chain. However, the results of these interventions have remained very localised and the vanilla sector is declining again under the effect of low prices that discourage farmers to care for their plantations. Moreover, the government is only focussed on the staple crops although regional administrations in the areas where they are cultivated pay attention to exports crops.

## Vanilla - Data collection grid

### EQ1 on the contextual background to the Commission's Communication relative to agricultural commodities

In what ways has the Commission reacted to the long term agricultural commodities price decline and volatility when supporting Commodity Dependent Developing Countries?	
<b>J.1.1</b>	<b><i>Commodity dependence characterises a majority of ACP countries</i></b>
<b>MG</b>	1985 : vanille 44 M US\$ ; exportations totales : 291 M US\$ 2005: vanille 102 M US\$ ; exportations totales : 996 M US\$ (Source :Madagascar “at a glance” : annexe 1 CSP 2008-2013)
<b>J.1.2</b>	<b><i>Prices of agricultural commodities exported by ACPs have demonstrated a long-term declining trend and high volatility</i></b>
<b>MG</b>	Le prix de la vanille, qui avait atteint des sommets en 2003-2004, est retombé dès 2005 à un niveau historiquement bas.
<b>I.1.2.3</b>	Product specific issues having affected individual products' prices over the last 10 years
<b>MG</b>	<p>Les cours peuvent être fortement affectés par les rumeurs concernant les perspectives de production ou l'importance des stocks, comme en 2001-2003 où le prix de la vanille à Madagascar a pu atteindre 500 \$ EU/kg soit plus de 10 fois le cours pratiqué dans les années 1990.</p> <p>Depuis 2005, les cours ont renoué avec leur plus bas niveau historique.</p> <p>Les 4 concurrents de Madagascar ont une stratégie offensive d'alignement en dessous des prix malgaches, leur permettant de gagner des parts de marchés sur le segment « commodité ».</p> <p>Les origines « gourmet » bénéficient d'une prime importante, la vanille polynésienne étant positionnée au sommet de la gamme, à plus de 200 \$ EU/kg FOB.</p> <p>Depuis 2005, avec le retour de conditions climatiques favorables, une forte reprise de la production, dopée par l'entrée en production des plantations réalisées dans le cadre des programmes STABEX (2.800 ha de plantations intensives et semi-intensives réalisés entre 1997 et 2001), entraînant un effondrement des prix dès la campagne 2004/05. Ces conditions ont encouragé une reprise en force des exportations, à un niveau jamais atteint par la passé. Au terme des campagnes 2006/07 et 2007/08, il était estimé que, pour se prémunir d'une nouvelle envolée des prix, les opérateurs se sont constitués un stock de l'ordre de 2.000 t de vanille, représentant une année de consommation. Depuis 2008, les prévisions de baisse de la production sont systématiquement démenties par les résultats de la production. Ces pronostics, qui pourraient être exagérés afin d'influer sur les prix, se basent sur la possibilité d'un désintérêt des planteurs pour la culture et de la propagation de la fusariose et du phytophthora favorisée par l'épuisement des lianes intensément pollinisées et le moindre entretien des plantations.</p> <p><i>Source : Délégation de l'UE à Madagascar, Note filière Vanille</i></p>

MG	<p>Les cours élevés de la vanille pendant les années 2001-2004, supérieurs à 100 USD/kg, ont incité des pays concurrents à se lancer dans la production, amenant ainsi les exportations mondiales de 2 200 à 3 800 t/an entre 1999-2004 et 2005-2008. Cette hausse s'est accompagnée d'un effondrement des cours en dessous de 30 USD/kg. Même si les industriels reviennent à la vanille naturelle après avoir fortement réduit leur demande (moins 40% en 2005), le bas prix de la vanille depuis cinq ans les a incités à se constituer des stocks qui ont lourdement pesé sur la demande mondiale en 2009.</p> <p><i>Source : Délégation de l'UE à Madagascar, Rapport sur les exportations en 2009</i></p>
J.1.3	<p><b><i>The Commission has adapted its support to CDDCs to the constraints revealed by long term price decline and short term price volatility</i></b></p>
MG	<p>A travers les projets Stabex la Commission a apporté une aide importante au développement des produits agricoles d'exportation (café, vanille, litchis, girofle). L'appui de la Commission, initialement centré sur la production, s'est progressivement étendu à l'ensemble des filières, incluant la commercialisation.</p>
I.1.3.1	<p>Evidence (reports, publications, internal notes) that the Commission has monitored agricultural commodities price and market developments and analysed their impact upon CDDCs</p>
MG	<p>Oui. La Délégation a produit différentes notes d'analyses (assez concises mais précises) avec focus sur offre et demande au niveau mondial, échanges et cours internationaux, production et exportations malgache + perspectives : Note filières, Vanille, juin 2010.</p>
I.1.3.4	<p>Launching by the Commission of specific projects to tackle the constraints faced by CDDCs due to price decline and variability</p>
MG	<p><u>Réponse mixte</u>. Les projets STABEX ne sont pas spécifiquement et uniquement mis en œuvre en réponse au déclin et à la volatilité des prix mais ils contribuent par l'organisation de marché (constituant un des volets des projets) à renforcer la capacité des paysans à y faire face.</p> <p>En effet, depuis 2008, la Délégation a étendu ses appuis vers l'aval (commercialisation et transformation) afin d'améliorer la qualité dans une optique de diversification et de compétitivité (Source : MN 801). Les appuis sont donc plutôt centrés sur l'organisation du marché et la commercialisation. 11 projets ont été sélectionnés sur appel à propositions (café, vanille, girofle, poivre, cacao) avec en outre un <b>volet appui à la production</b> (CTHT, CNCC,...) et un <b>volet qualité</b> (formation, sensibilisation, petit matériel) mais également un <b>volet organisation des marchés au niveau des communes</b> (ce qui a le moins bien marché car ce volet est très complexe à mettre en œuvre étant donné le contexte institutionnel et la concurrence des acheteurs itinérants). (Source : MN 802).</p>
I.1.3.5	<p>Elaboration of an agricultural commodities strategy to support CDDCs</p>
MG	<p>En 2006 le Conseil des Ministres de la République Malgache a adopté le Plan National de Développement Rural (PNDR, révisé et actualisé en 2008, qui a été en 2007 décliné en 22 plans régionaux de développement rural.</p> <p>Le PNDR définit 5 orientations stratégiques, notamment Améliorer la sécurité alimentaire et augmenter la production et la transformation agricoles (orientation 3) et Développer les marchés et organiser les filières (Orientation 5)</p>

	<p>Le PNDR indique que « Le secteur agricole et de la pêche demeure un secteur majeur pour l'économie malgache dans les échanges commerciaux de Madagascar. C'est ainsi que les différents accords auxquels Madagascar a adhéré constituent des portes ouvertes pour la prospection de nouveaux marchés d'autant plus que nos produits ont un avantage comparatif par rapport aux autres pays, avantage comparatif qui se traduit par le fait que:</p> <ul style="list-style-type: none"> <li>• La vanille, produit bio par essence, est très appréciée sur le marché mondial notamment aux États-Unis et en Europe, malgré la concurrence de l'essence de vanille synthétique ;</li> <li>• Le litchi, très prisé en Europe au cours des fêtes de fin d'année, constitue une opportunité pour notre production. D'autant plus que celle des autres pays n'arrive sur le marché international qu'à la mi-janvier pour l'Afrique du Sud et en juin pour les pays asiatiques ;</li> <li>• Nos produits horticoles (haricot vert) sont considérés comme des produits de contre-saison en Europe ;</li> <li>• La renommée historique de la qualité des épices de Madagascar ;</li> <li>• L'huile de coco, de par son caractère bio, est très recherchée pour la fabrication des produits cosmétiques ;</li> <li>• L'existence de marchés régionaux : possibilités d'exportation sur Maurice de l'ordre de 7000t/an de pomme de terre et sur les autres pays de l'Océan Indien (Comores, Seychelles, Réunion) ;</li> </ul> <p>Parmi les actions prévues par le PNDR, on relève notamment :</p> <p>« a) développer les filières et valoriser les produits</p> <p>Madagascar ne doit plus se limiter à la production de ses filières traditionnelles aussi bien pour les produits de consommation locale (riz, manioc, patate douce...) que pour l'exportation (vanille, café, pois du cap, poivre, girofle...). Les filières porteuses doivent considérer le marché régional, le maïs pour La Réunion, la pomme de terre pour Maurice, et le marché Européen où nos produits sont considérés de contre-saison tel le haricot vert. Mention particulière sera faite pour la production du coprah ou de l'huile de coco qui entre dans la fabrication des cosmétiques.</p> <p>b) promouvoir la diversification des produits</p> <p>La diversification porte sur la promotion de produits à haute valeur ajoutée. Ce sont des activités génératrices de revenu surtout pour les zones périphériques des grands centres urbains et touristiques ainsi que les produits d'exportation. »</p> <p>Au titre des moyens d'action, le PNDR prévoyait « la mise en place d'un Centre de Services Agricoles (CSA) au niveau des Districts, en vue :</p> <ul style="list-style-type: none"> <li>• D'établir une interface, un lien efficient dans l'échange et à l'accès à l'information/formation</li> <li>• De fournir des services de proximité de qualité aux organisations paysannes et aux exploitants agricoles.</li> </ul> <p>Le CSA a pour rôles et fonctions de :</p> <ul style="list-style-type: none"> <li>• Promouvoir la recherche développement agricole au niveau local en vue de répondre à la demande spécifique du monde rural</li> <li>• Constituer un relais d'information et de services technico-économiques pour les organisations des agriculteurs en relation directe avec les partenaires techniques</li> </ul>
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	<p>publics, privés et ONG,</p> <ul style="list-style-type: none"> <li>• Assurer la capitalisation des acquis techniques et économiques</li> <li>• Faire la mise en relation avec les autres intervenants et prestataires de services</li> <li>• Appuyer le renforcement de la structuration des organisations paysannes à la base ainsi que de leurs fédérations par la formation de leurs leaders et ce, en vue de promouvoir la professionnalisation du métier d'« exploitant agricole »</li> <li>• Diffuser les informations techniques et économiques. »</li> </ul> <p>La Commission Européenne a financé la création des jusqu'à la suspension de son aide en 2010.</p> <p><i>Source : Programme National de Développement Rural</i></p>
<b>MG</b>	<p>Pour la vanille, produit emblématique de Madagascar, pour lequel il est l'exportateur principal au niveau mondial, aucune stratégie concertée n'est mise en œuvre par les opérateurs ni par les autorités pour s'assurer un leadership et définir les modalités d'intégration dans les marchés mondiaux.</p> <p><i>Source : Commission Européenne, Organisation des marchés (bourses) de produits agricoles des principales filières d'exportation à Madagascar, rapport final, juin 2009</i></p>

## EQ2 on the Commission's support in terms of agricultural commodity strategy development

To what extent has the Commission's support enabled the design of agricultural commodity strategies in commodity dependent ACP countries and regions?	
<b>J.2.1</b>	<i>The Commission has promoted commodity chains and addressing dependence as a priority in national strategies</i>
<b>I.2.1.2</b>	Evidence that the Commission support encouraged the analysis of the sustainability, poverty implications and needs of commodity sectors as part of strategy development
<b>MG</b>	<p>En 2006 le Conseil des Ministres de la République Malgache a adopté le Plan National de Développement Rural (PNDR, révisé et actualisé en 2008, qui a été en 2007 décliné en 22 plans régionaux de développement rural.</p> <p>Le PNDR définit 5 orientations stratégiques, notamment Améliorer la sécurité alimentaire et augmenter la production et la transformation agricoles (orientation 3) et Développer les marchés et organiser les filières (Orientation 5)</p> <p>Le PNDR indique que « Le secteur agricole et de la pêche demeure un secteur majeur pour l'économie malgache dans les échanges commerciaux de Madagascar. C'est ainsi que les différents accords auxquels Madagascar a adhéré constituent des portes ouvertes pour la prospection de nouveaux marchés d'autant plus que nos produits ont un avantage comparatif par rapport aux autres pays, avantage comparatif qui se traduit par le fait que:</p> <ul style="list-style-type: none"> <li>• La vanille, produit bio par essence, est très appréciée sur le marché mondial notamment aux Etats-Unis et en Europe, malgré la concurrence de l'essence de vanille synthétique ;</li> <li>• Le litchi, très prisé en Europe au cours des fêtes de fin d'année, constitue une opportunité pour notre production. D'autant plus que celle des autres pays n'arrive sur le marché international qu'à la mi-janvier pour l'Afrique du Sud et</li> </ul>

	<p>en juin pour les pays asiatiques ;</p> <ul style="list-style-type: none"> <li>• Nos produits horticoles (haricot vert) sont considérés comme des produits de contre-saison en Europe ;</li> <li>• La renommée historique de la qualité des épices de Madagascar ;</li> <li>• L'huile de coco, de par son caractère bio, est très recherchée pour la fabrication des produits cosmétiques ;</li> <li>• L'existence de marchés régionaux : possibilités d'exportation sur Maurice de l'ordre de 7000t/an de pomme de terre et sur les autres pays de l'Océan Indien (Comores, Seychelles, Réunion) ;</li> </ul> <p>Parmi les actions prévues par le PNDR, on relève notamment :</p> <p>« a) développer les filières et valoriser les produits</p> <p>Madagascar ne doit plus se limiter à la production de ses filières traditionnelles aussi bien pour les produits de consommation locale (riz, manioc, patate douce...) que pour l'exportation (vanille, café, pois du cap, poivre, girofle...). Les filières porteuses doivent considérer le marché régional, le maïs pour La Réunion, la pomme de terre pour Maurice, et le marché Européen où nos produits sont considérés de contre-saison tel le haricot vert. Mention particulière sera faite pour la production du coprah ou de l'huile de coco qui entre dans la fabrication des cosmétiques.</p> <p>b) promouvoir la diversification des produits</p> <p>La diversification porte sur la promotion de produits à haute valeur ajoutée. Ce sont des activités génératrices de revenu surtout pour les zones périphériques des grands centres urbains et touristiques ainsi que les produits d'exportation. »</p> <p>Au titre des moyens d'action, le PNDR prévoyait « la mise en place d'un Centre de Services Agricoles (CSA) au niveau des Districts, en vue :</p> <ul style="list-style-type: none"> <li>• D'établir une interface, un lien efficient dans l'échange et à l'accès à l'information/formation</li> <li>• De fournir des services de proximité de qualité aux organisations paysannes et aux exploitants agricoles.</li> </ul> <p>Le CSA a pour rôles et fonctions de :</p> <ul style="list-style-type: none"> <li>• Promouvoir la recherche développement agricole au niveau local en vue de répondre à la demande spécifique du monde rural</li> <li>• Constituer un relais d'information et de services technico-économiques pour les organisations des agriculteurs en relation directe avec les partenaires techniques publics, privés et ONG,</li> <li>• Assurer la capitalisation des acquis techniques et économiques</li> <li>• Faire la mise en relation avec les autres intervenants et prestataires de services</li> <li>• Appuyer le renforcement de la structuration des organisations paysannes à la base ainsi que de leurs fédérations par la formation de leurs leaders et ce, en vue de promouvoir la professionnalisation du métier d'« exploitant agricole »</li> <li>• Diffuser les informations techniques et économiques. »</li> </ul> <p>La Commission Européenne a financé la création des jusqu'à la suspension de son aide en 2010.</p> <p><i>Source : Programme National de Développement Rural</i></p>
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I.2.1.4	Evidence that the Commission promoted the participation of stakeholders, including representatives of producer/ farmer organisations, in the strategy design process and their effective engagement in the dialogue
MG	<p>Le programme Stabex a constitué un des rares et importants efforts significatifs d'investissement publics à Madagascar pour la relance des secteurs des cultures de rente en collaboration directe avec les producteurs et exportateurs. Le concept « filière » a été développé avec succès pour la vanille, le café et le litchi. Il a permis l'émergence ou le renforcement des organisations professionnelles, le développement et la diffusion de techniques pour débloquent les principaux goulots d'étranglement relatifs à la production, à la transformation et à la mise en marché, et/ou lorsque le potentiel existait, la standardisation des produits et le contrôle de la qualité, la promotion du label d'origine Madagascar, et si nécessaire des appuis pour des révisions réglementaires ou légales à Madagascar et dans l'UE</p> <p><i>Source : Stabex, Cadre d'Obligations Mutuelles 1996-1999</i></p>
MG	<p>Les différentes industries — du cacao, du café, du girofle, du poivre et de la vanille — à Madagascar, ne sont que très faiblement structurées. Une 'appropriation' des objectifs et résultats du programme STABEX, ou des recommandations de l'assistance technique d'appui, ne peut donc être le fait que de structures fugaces, comme les projets, ou de structures qui ne sont pas directement concernées—i.e., directement 'intéressées'—par les améliorations recherchées: celles de l'Etat malgache.</p> <p><i>Source : Assistance Technique à la mise en œuvre du programme d'intensification et de structuration des principales filières d'exportation de produits agricoles à Madagascar, Rapport final</i></p>
<b>J.2.2</b>	<b><i>The Commission's support has stimulated the design of commodity strategies by CDDCs and their incorporation into national and regional development strategies</i></b>
I.2.2.1	Evidence that the Commission ensured the availability of diagnostics of the competitiveness of agricultural commodity value chains (Domestic Resource Cost studies)
MG	<p>La Délégation a produit différentes notes d'analyses (assez concises mais précises) avec focus sur offre et demande au niveau mondial, échanges et cours internationaux, production et exportations malgache + perspectives : Note filières, Vanille, juin 2010. Par contre, selon les informations collectées, il ne semble pas que des études « Domestic Resource Cost » aient été réalisées.</p>
MG	<p>Dans le cadre du projet Analyse financière et économique du programme d'intensification et de structuration des principales filières d'exportation des comptes d'exploitation ont été établis pour quatre filières d'exportation (litchis, girofle, poivre et vanille) en distinguant pour chaque filière les producteurs, les collecteurs et les exportateurs.</p> <p><i>Source : Analyse financière et économique du programme d'intensification et de structuration des principales filières d'exportation, Rapport final</i></p>



I.2.2.3	Evidence that the Commission's support led countries to embed their national commodity strategies into their national development strategy and to include them at a regional level into regional strategies
MG	<p>Pour la vanille, produit emblématique de Madagascar, pour lequel il est l'exportateur principal au niveau mondial, aucune stratégie concertée n'est mise en œuvre par les opérateurs ni par les autorités pour s'assurer un leadership et définir les modalités d'intégration dans les marchés mondiaux.</p> <p><i>Source : Commission Européenne, Organisation des marchés (bourses) de produits agricoles des principales filières d'exportation à Madagascar, rapport final, juin 2009</i></p>

#### EQ 4 on the Commission's support in terms of competitiveness of agricultural commodity chains in CDDCs

<b>To what extent has the Commission's support helped to improve the competitiveness of agricultural commodity chains in commodity dependent recipient countries?</b>	
<b>J.4.1</b>	<b><i>The Commission's cooperation programme has stimulated the creation of an environment conducive to increased competitiveness of agricultural commodity chains</i></b>
I.4.1.1	Evidence that the Government-Commission policy dialogue included specific measures in favour of agricultural business development and agricultural commodity exports based on identified needs and challenges
MG	<p>Les différentes industries — du cacao, du café, du girofle, du poivre et de la vanille — à Madagascar, ne sont que très faiblement structurées. Une 'appropriation' des objectifs et résultats du programme STABEX, ou des recommandations de l'assistance technique d'appui, ne peut donc être le fait que de structures fugaces, comme les projets, ou de structures qui ne sont pas directement concernées—i.e., directement 'intéressées'—par les améliorations recherchées: celles de l'Etat malgache.</p> <p><i>Source : Assistance Technique à la mise en œuvre du programme d'intensification et de structuration des principales filières d'exportation de produits agricoles à Madagascar, Rapport final</i></p>
<b>J.4.2</b>	<b><i>Commission support has contributed to increase agricultural commodity production and lower the average cost of production and processing</i></b>
I.4.2.2	Commission support contributed to improve production factors and farmers access to them (e.g. extension services/agricultural techniques, water, fertilizers, seeds, energy)
MG	<p>Les fonds Stabex ont financé entre fin 2008 et fin 2010, pour un budget total de €4,7 millions, onze projets mis en œuvre par cinq organisations.</p> <p>Chacun des onze projets poursuivait les mêmes objectifs d'accroissement du revenu des producteurs par l'augmentation et l'amélioration de l'offre de cinq produits agricoles d'exportation (cacao, café, girofle, poivre, vanille) et par une meilleure valorisation au moment de l'échange.</p> <p>L'augmentation de l'offre des produits devait être le résultat de l'augmentation de la production — résultant elle-même de l'extension des surfaces consacrées à ces cultures et de l'amélioration de la productivité des exploitations.</p>

	<p>Parallèlement, à ces actions d'augmentation de l'offre les actions d'amélioration de la qualité des produits mis en vente avaient également pour objet d'assurer une meilleure rémunération des producteurs. L'amélioration de la valorisation devait être le résultat d'une mise en adéquation de la demande exprimée par les acheteurs et de l'offre résultant des actions du programme.</p> <p>Un nouveau mécanisme de mise en vente —la vente publique sur les marchés communaux, lors de la première transaction de la chaîne des échanges — devait être celui par lequel les exigences des acheteurs seraient communiquées aux producteurs.</p> <p><i>Source : Assistance Technique à la mise en œuvre du programme d'intensification et de structuration des principales filières d'exportation de produits agricoles à Madagascar, Rapport final</i></p>
VU	<p><u>POPACA/POP2 project:</u> Several stakeholders have declared that this project was designed through a top-down approach. Farmers were not involved from the beginning. Under this project, infrastructures were built. But today these infrastructures are no more working and trees are covering them as there is no budget for maintenance. There is a clear sustainability problem.</p> <p>The Government does not support agricultural value chains (cocoa for example). The problem of the POPACA project was that it was supporting too many value chains at the same time. The money was spread to too many value chains. No study has been done before launching the project to select key value chains to be supported. There was too much spreading. However, there is one success linked to that project; this concerns the coffee sector in Tana. A lot of support was brought to the coffee sector. But there was no impact in terms of increased coffee exports for Vanuatu. There is still small processing and packaging in Vanuatu. Coffee of Tana is protected by a tariff against imported coffee (25% taxes to be paid to import coffee in Vanuatu). In the cocoa sector there is still a lack of resources to grow more cocoa and process it.</p> <p><i>Sources: MN 1011 and MN 1098</i></p> <p>La CE a appuyé la transformation des produits agricoles à travers le projet POP2/POPACA, notamment pour le cacao, le café et le copra. Cela a permis d'organiser le séchage des récoltes. Par exemple, des subventions ont été données pour acheter du matériel comme des buses pour construire les cheminées des fours pour sécher les productions agricoles.</p> <p>Le projet POPACA (terminé en 2007) a eu quelques résultats positifs en termes d'organisation des producteurs en coopératives. Mais, il n'y a pas eu de durabilité des résultats acquis. Par ailleurs, il y a eu du retard dans l'exécution du projet (il a duré de 2001 à 2007) et il a été difficile de dépenser tous les fonds disponibles. Il y a ainsi eu un grave problème d'absorption des fonds car le Gouvernement est incapable de gérer et de définir des politiques et des stratégies.</p> <p>Dans le secteur de la vanille, de nouvelles techniques de production ont été apprises grâce au projet POP2/POPACA. Les avancées ont cependant été faites à petite échelle. La qualité des produits, comme la vanille, s'est améliorée grâce au projet POPACA/POP2.</p> <p><i>Sources : MN 1067 and MN 1098</i></p>

<p><b>MG</b></p>	<p>Le projet SOAVA, financé sur fonds Stabex et mis en œuvre par l'ONG Association Intercoopération Madagascar (AIM) couvrait 14 Communes du district de Mananara Nord et environ 16.200 petits agriculteurs familiaux pratiquant des cultures d'exportation (vanille girofle, café) en complément de cultures vivrières.</p> <p>Les résultats attendus du projet étaient les suivants :</p> <ul style="list-style-type: none"> <li>- Résultat 1 : La productivité des facteurs de production des ménages ruraux est augmentée de manière durable ;</li> <li>- Résultat 2 : Les produits répondent aux normes de qualité des marchés nationaux et internationaux ;</li> <li>- Résultat 3 : Les marchés intérieurs des produits d'exportation fonctionnent de manière concurrentielle et au bénéfice des producteurs ;</li> <li>- Résultat 4 : De nouveaux marchés de niche sont identifiés et exploités.</li> </ul> <p>AIM a adopté comme approche de mise en œuvre de ces deux projets la collaboration et l'interaction entre les trois pôles d'acteurs de ces filières d'exportation : (i) les producteurs à la base, (ii) les collecteurs locaux en contact direct avec les producteurs et (iii) les autorités locales responsables de la mise en place d'un cadre favorable.</p> <p>Selon l'évaluation finale du projet, les résultats suivants ont été obtenus :</p> <p>Résultat 1 : Productivité des facteurs de production</p> <ul style="list-style-type: none"> <li>• Des intrants de qualité ont été mis à la disposition des producteurs (établissement de pépiniéristes, production de plants de girofliers)</li> <li>• Les techniques culturales ont été améliorées</li> <li>• Les terroirs communaux sont mieux exploités (plantations d'acacias et eucalyptus)</li> </ul> <p>Résultat 2 : Les produits répondant aux normes de qualité des marchés nationaux et internationaux</p> <ul style="list-style-type: none"> <li>• Regroupement des producteurs professionnels</li> <li>• Application des techniques de post récolte</li> <li>• Mise en place des alambics modernes</li> <li>• Mise en fonctionnement de service de contrôle (poinçonnage des plants de vanille)</li> </ul> <p>Résultat 3 : marchés intérieurs des produits d'exportation</p> <ul style="list-style-type: none"> <li>• 13 marchés organisés ont été établis et sont fonctionnels. 20% de la production totale de vanille dans le District est écoulée sur ces marchés. Sur 88 collecteurs recensés, 29 ont participé à une formation sur la qualité des produits de rente et sont en possession de cartes professionnelles. Mais pour le girofle et le café, les pourcentages des produits vendus sur les marchés communaux par rapport aux productions totales sont très faibles et représentent respectivement 0,1% et 8%.</li> <li>• Mise en œuvre d'un système d'information de marché (SIM) en collaboration avec PPRR (projet FIDA)</li> <li>• Capitalisation des expériences (visite-échange avec un autre projet)</li> <li>• Appui aux Communes sur la bonne Gouvernance</li> </ul> <p>Résultat 4 : Marchés de niche</p>
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	<p>Les groupements producteurs d'huile essentielle de girofle sont entrés en relations commerciales avec l'entreprise suisse Givaudan, qui est engagée dans une démarche d'approvisionnement à la source, et de rémunération équitable des produits</p> <p>L'évaluation conclut que l'approche multi-acteurs : collaboration pratique entre producteurs, autorités locales et secteur privé pour développer les filières girofle et vanille, initiée et développée par AIM témoigne de l'efficacité du projet traduite par les premiers effets positifs constatés et ce, malgré le temps imparti très limité pour assurer la durabilité des acquis et des effets.</p> <p><i>Source : Evaluation finale du projet SOAVA</i></p>
<b>I.4.2.3</b>	Commission support contributed to increase agricultural commodities crop yields, crop quality and quantity
<b>MG</b>	<p>Le programme Stabex a constitué un des rares et importants efforts significatifs d'investissement publics à Madagascar pour la relance des secteurs des cultures de rente en collaboration directe avec les producteurs et exportateurs. Le concept « filière » a été développé avec succès pour la vanille, le café et le litchi. Il a permis l'émergence ou le renforcement des organisations professionnelles, le développement et la diffusion de techniques pour débloquer les principaux goulots d'étranglement relatifs à la production, à la transformation et à la mise en marché, et/ou lorsque le potentiel existait, la standardisation des produits et le contrôle de la qualité, la promotion du label d'origine Madagascar, et si nécessaire des appuis pour des révisions réglementaires ou légales à Madagascar et dans l'UE</p> <p><i>Source : Cadre d'Obligations Mutuelles 1996-1999</i></p>
<b>MG</b>	<p>Les fonds Stabex ont financé entre fin 2008 et fin 2010, pour un budget total de €4,7 millions, onze projets mis en œuvre par cinq organisations.</p> <p>Chacun des onze projets poursuivait les mêmes objectifs d'accroissement du revenu des producteurs par l'augmentation et l'amélioration de l'offre de cinq produits agricoles d'exportation (cacao, café, girofle, poivre, vanille) et par une meilleure valorisation au moment de l'échange.</p> <p>L'augmentation de l'offre des produits devait être le résultat de l'augmentation de la production — résultant elle-même de l'extension des surfaces consacrées à ces cultures et de l'amélioration de la productivité des exploitations.</p> <p>Parallèlement, à ces actions d'augmentation de l'offre les actions d'amélioration de la qualité des produits mis en vente avaient également pour objet d'assurer une meilleure rémunération des producteurs. L'amélioration de la valorisation devait être le résultat d'une mise en adéquation de la demande exprimée par les acheteurs et de l'offre résultant des actions du programme.</p> <p>Un nouveau mécanisme de mise en vente — la vente publique sur les marchés communaux, lors de la première transaction de la chaîne des échanges — devait être celui par lequel les exigences des acheteurs seraient communiquées aux producteurs.</p> <p><i>Source : Assistance Technique à la mise en œuvre du programme d'intensification et de structuration des principales filières d'exportation de produits agricoles à Madagascar, Rapport final</i></p>
<b>MG</b>	<p>Oui mais la CE a <u>étendu à partir de 2008 ses appuis vers l'aval</u>. Avant 2008, les appuis concernaient essentiellement la production (recépages, plantations, etc. afin d'améliorer les rendements, la productivité et la qualité). A partir de 2008, les appuis ont également été centrés sur l'organisation du marché et la commercialisation 11 projets ont été sélectionnés sur appel à propositions (café, vanille, girofle, poivre, cacao) avec un volet appui à la production (CTHT, CNCC,...), un volet qualité</p>

	(formation, sensibilisation, petit matériel) et un volet organisation des marchés au niveau des communes (ce qui a le moins bien marché car ce volet est très complexe à mettre en œuvre étant donné le contexte institutionnel et la concurrence des acheteurs itinérants). (Source : MN 802).
<b>MG</b>	S'inscrivant dans la continuité des précédentes interventions, les appuis à l'accroissement de la production ont pu, malgré la courte durée du programme (28 mois), être rapidement menés à une large échelle. Ainsi, plus de 1 millions de plants ont été produits. Dotée d'un bon potentiel de développement bien que peu touchée par les précédents appuis, la filière girofle a bénéficié de 37% de cette production (constituée à 48% de caféiers et 1% seulement de plants de vanille). Des manuels et guides techniques à l'intention des producteurs ont été rédigés en langue locale et largement diffusés, via notamment les paysans-relais formés à cet effet. Ces réalisations n'ont cependant pas d'effet immédiat sur la production (il faut 7 années avant qu'un giroflier entre en production) et, lorsque cela sera, elles ne devraient que partiellement compenser la baisse liée à l'âge déjà avancé de la plupart des plantations. Face à des besoins très importants, les opérateurs ont surtout contribué au développement des compétences, au niveau notamment de 250 pépinières villageoises et privées et de 200 paysans relais ou leaders. <i>Source : Rapport Stabex 2010</i>
<b>MG</b>	Les appuis à l'amélioration de la qualité ont constitué en la mise au point et distribution de matériel de traitement post-récolte adapté (en particulier pour le séchage du café et du girofle, dont la récolte se réalise en saison humide), la recherche de procédés alternatifs (préparation du café par voie humide), la formation de préparateurs de la vanille et du cacao, la réalisation de vastes campagnes de sensibilisation sur la qualité et de formation aux bonnes pratiques. En dehors d'initiatives menées dans le cadre d'opérations contractualisées avec un opérateur privé, les résultats sont cependant demeurés limités car l'organisation des circuits de commercialisation ne favorise pas une rémunération de l'effort de qualité. <i>Source : Rapport Stabex 2010</i>
<b>MG</b>	Le projet SOAVA, financé sur fonds Stabex et mis en œuvre par l'ONG Association Intercoopération Madagascar (AIM) couvrait 14 Communes du district de Mananara Nord et environ 16.200 petits agriculteurs familiaux pratiquant des cultures d'exportation (vanille girofle, café) en complément de cultures vivrières. Les résultats attendus du projet étaient les suivants : <ul style="list-style-type: none"> <li>- Résultat 1 : La productivité des facteurs de production des ménages ruraux est augmentée de manière durable ;</li> <li>- Résultat 2 : Les produits répondent aux normes de qualité des marchés nationaux et internationaux ;</li> <li>- Résultat 3 : Les marchés intérieurs des produits d'exportation fonctionnent de manière concurrentielle et au bénéfice des producteurs ;</li> <li>- Résultat 4 : De nouveaux marchés de niche sont identifiés et exploités.</li> </ul> AIM a adopté comme approche de mise en œuvre de ces deux projets la collaboration et l'interaction entre les trois pôles d'acteurs de ces filières d'exportation : (i) les producteurs à la base, (ii) les collecteurs locaux en contact direct avec les producteurs et (iii) les autorités locales responsables de la mise en place d'un cadre favorable. Selon l'évaluation finale du projet, les résultats suivants ont été obtenus : Résultat 1 : Productivité des facteurs de production <ul style="list-style-type: none"> <li>• Des intrants de qualité ont été mis à la disposition des producteurs</li> </ul>

	<p>(établissement de pépiniéristes, production de plants de girofliers)</p> <ul style="list-style-type: none"> <li>• Les techniques culturales ont été améliorées</li> <li>• Les terroirs communaux sont mieux exploités (plantations d'acacias et eucalyptus)</li> </ul> <p>Résultat 2 : Les produits répondant aux normes de qualité des marchés nationaux et internationaux</p> <ul style="list-style-type: none"> <li>• Regroupement des producteurs professionnels</li> <li>• Application des techniques de post récolte</li> <li>• Mise en place des alambics modernes</li> <li>• Mise en fonctionnement de service de contrôle (poinçonnage des plants de vanille)</li> </ul> <p>Résultat 3 : marchés intérieurs des produits d'exportation</p> <ul style="list-style-type: none"> <li>• 13 marchés organisés ont été établis et sont fonctionnels. 20% de la production totale de vanille dans le District est écoulée sur ces marchés. Sur 88 collecteurs recensés, 29 ont participé à une formation sur la qualité des produits de rente et sont en possession de cartes professionnelles. Mais pour le girofle et le café, les pourcentages des produits vendus sur les marchés communaux par rapport aux productions totales sont très faibles et représentent respectivement 0,1% et 8%.</li> <li>• Mise en œuvre d'un système d'information de marché (SIM) en collaboration avec PPRR (projet FIDA)</li> <li>• Capitalisation des expériences (visite-échange avec un autre projet)</li> <li>• Appui aux Communes sur la bonne Gouvernance</li> </ul> <p>Résultat 4 : Marchés de niche</p> <p>Les groupements producteurs d'huile essentielle de girofle sont entrés en relations commerciales avec l'entreprise suisse Givaudan, qui est engagée dans une démarche d'approvisionnement à la source, et de rémunération équitable des produits</p> <p>L'évaluation conclut que l'approche multi-acteurs : collaboration pratique entre producteurs, autorités locales et secteur privé pour développer les filières girofle et vanille, initiée et développée par AIM témoigne de l'efficacité du projet traduite par les premiers effets positifs constatés et ce, malgré le temps imparti très limité pour assurer la durabilité des acquis et des effets.</p> <p><i>Source : Evaluation finale du projet SOAVA</i></p>
MG	<p>La stratégie du projet d'Antalaha a été construite autour d'enjeux qui conditionnent la relance de la filière vanille et l'amélioration des capacités productives et économiques des exploitations familiales qui produisent la vanille. Trois axes ont été développés :</p> <ul style="list-style-type: none"> <li>• Le renforcement des capacités productives</li> <li>• L'amélioration de la qualité des produits de manière à mieux coller aux exigences des marchés</li> <li>• L'organisation des filières et des marchés</li> </ul> <p>Le projet a établi différentes collaborations avec des acteurs présents dans la zone, principalement les producteurs et leurs organisations et les autorités locales.</p> <p>Les producteurs restent très réticentes à prendre en charge et à faire vivre les organisations qu'ils ont mises en place et appliquent parcimonieusement les techniques qui leur ont été transmises. Très réactive au facteur prix, qui n'est pas</p>

	<p>intéressant pour la vanille actuellement, la main d'œuvre familiale s'oriente davantage sur des spéculations plus sécurisantes, en particulier la sécurité alimentaire est ciblée. De même, face à l'insuffisance de trésorerie, les producteurs préfèrent vendre rapidement la vanille verte plutôt que de la traiter.</p> <p>La mise en œuvre du projet a été affectée par de nombreuses difficultés dues au contexte d'intervention (prix bas et prix administrés, désintéressement des acteurs par rapport à la qualité, faiblesse des organisations de producteurs, contexte politique, ...), au fonctionnement du dispositif d'intervention (partenariat difficile et dénoncé, difficulté à trouver des cadres de niveau approprié, difficulté à motiver les agents, éloignement des décideurs finaux) et à la durée des projets. Ces difficultés ont imposé un recentrage des activités sur 3 communes au lieu de 10 pour atteindre des résultats concrets.</p> <p><i>Source : Evaluation du projet d'appui à l'amélioration de la qualité et à la commercialisation de la vanille dans le district d'Antalaha</i></p>
<b>I.4.2.5</b>	Commission support contributed to improve the collection and processing of agricultural commodities
<b>MG</b>	<p>Le programme Stabex a constitué un des rares et importants efforts significatifs d'investissement publics à Madagascar pour la relance des secteurs des cultures de rente en collaboration directe avec les producteurs et exportateurs. Le concept « filière » a été développé avec succès pour la vanille, le café et le litchi. Il a permis l'émergence ou le renforcement des organisations professionnelles, le développement et la diffusion de techniques pour débloquer les principaux goulots d'étranglement relatifs à la production, à la transformation et à la mise en marché, et/ou lorsque le potentiel existait, la standardisation des produits et le contrôle de la qualité, la promotion du label d'origine Madagascar, et si nécessaire des appuis pour des révisions réglementaires ou légales à Madagascar et dans l'UE</p> <p><i>Source : Cadre d'Obligations Mutuelles 1996-1999</i></p>
<b>MG</b>	<p>Les fonds Stabex ont financé entre fin 2008 et fin 2010, pour un budget total de €4,7 millions, onze projets mis en œuvre par cinq organisations.</p> <p>Chacun des onze projets poursuivait les mêmes objectifs d'accroissement du revenu des producteurs par l'augmentation et l'amélioration de l'offre de cinq produits agricoles d'exportation (cacao, café, girofle, poivre, vanille) et par une meilleure valorisation au moment de l'échange.</p> <p>L'augmentation de l'offre des produits devait être le résultat de l'augmentation de la production — résultant elle-même de l'extension des surfaces consacrées à ces cultures et de l'amélioration de la productivité des exploitations.</p> <p>Parallèlement, à ces actions d'augmentation de l'offre les actions d'amélioration de la qualité des produits mis en vente avaient également pour objet d'assurer une meilleure rémunération des producteurs. L'amélioration de la valorisation devait être le résultat d'une mise en adéquation de la demande exprimée par les acheteurs et de l'offre résultant des actions du programme.</p> <p>Un nouveau mécanisme de mise en vente —la vente publique sur les marchés communaux, lors de la première transaction de la chaîne des échanges — devait être celui par lequel les exigences des acheteurs seraient communiquées aux producteurs.</p> <p><i>Source : Assistance Technique à la mise en œuvre du programme d'intensification et de structuration des principales filières d'exportation de produits agricoles à Madagascar, Rapport final</i></p>

<b>MG</b>	<p>Depuis 2008, la Délégation a étendu ses appuis vers l'aval (commercialisation et transformation) afin d'améliorer la qualité dans une optique de diversification et de compétitivité (Source : MN 801). Les appuis sont donc également centrés sur l'organisation du marché et la commercialisation. 11 projets ont été sélectionnés sur appel à propositions (café, vanille, girofle, poivre, cacao) avec en outre un <u>volet appui à la production</u> (CTHT, CNCC,...) et un <u>volet qualité</u> (formation, sensibilisation, petit matériel) mais également un <u>volet organisation des marchés au niveau des communes</u> (ce qui a le moins bien marché car ce volet est très complexe à mettre en œuvre étant donné le contexte institutionnel et la concurrence des acheteurs itinérants). (Source : MN 802).</p>
<b>MG</b>	<p>Le Comité de Suivi STABEX a pris la décision d'orienter les financements du programme d'intensification et de structuration des filières vers l'appui aux initiatives des collectivités locales pour l'organisation de marchés intérieurs publics. En régulant l'adéquation entre l'offre intérieure et la demande extérieure en produits d'exportation, ceux-ci devraient permettre de conduire à un accroissement de l'offre de produits de qualité et contribuer ainsi à l'augmentation des revenus des producteurs. A cet effet, un appel à propositions ouvert a été lancé en 2008 et 11 projets approuvés pour un montant total de 4 681 431 €. A travers ces projets, 12 districts sont visés et cinq filières agricoles d'exportation, à savoir vanille, café, girofle, cacao et poivre. En parallèle, une assistance technique a été mise en place pour identifier les exigences des traders et clients finaux en matière de qualité, animer l'échange d'expérience, évaluer l'efficacité des mesures prises et capitaliser l'expérience ainsi acquise.</p> <p>Près de 400 groupements paysans de base, localisés dans 120 communes, ont bénéficié de l'appui de ce programme, articulés autour de trois volets, visant respectivement à l'accroissement de la production, l'amélioration de la qualité des produits et l'amélioration des conditions de mise en marché.</p> <p><i>Source : Rapport Stabex 2010</i></p>
<b>MG</b>	<p>Le projet SOAVA, financé sur fonds Stabex et mis en œuvre par l'ONG Association Intercoopération Madagascar (AIM) couvrait 14 Communes du district de Mananara Nord et environ 16.200 petits agriculteurs familiaux pratiquant des cultures d'exportation (vanille girofle, café) en complément de cultures vivrières.</p> <p>Les résultats attendus du projet étaient les suivants :</p> <ul style="list-style-type: none"> <li>- Résultat 1 : La productivité des facteurs de production des ménages ruraux est augmentée de manière durable ;</li> <li>- Résultat 2 : Les produits répondent aux normes de qualité des marchés nationaux et internationaux ;</li> <li>- Résultat 3 : Les marchés intérieurs des produits d'exportation fonctionnent de manière concurrentielle et au bénéfice des producteurs ;</li> <li>- Résultat 4 : De nouveaux marchés de niche sont identifiés et exploités.</li> </ul> <p>AIM a adopté comme approche de mise en œuvre de ces deux projets la collaboration et l'interaction entre les trois pôles d'acteurs de ces filières d'exportation : (i) les producteurs à la base, (ii) les collecteurs locaux en contact direct avec les producteurs et (iii) les autorités locales responsables de la mise en place d'un cadre favorable.</p> <p>Selon l'évaluation finale du projet, les résultats suivants ont été obtenus :</p> <p>Résultat 1 : Productivité des facteurs de production</p> <ul style="list-style-type: none"> <li>• Des intrants de qualité ont été mis à la disposition des producteurs (établissement de pépiniéristes, production de plants de girofliers)</li> </ul>



	<ul style="list-style-type: none"> <li>• Les techniques culturales ont été améliorées</li> <li>• Les terroirs communaux sont mieux exploités (plantations d'acacias et eucalyptus)</li> </ul> <p>Résultat 2 : Les produits répondant aux normes de qualité des marchés nationaux et internationaux</p> <ul style="list-style-type: none"> <li>• Regroupement des producteurs professionnels</li> <li>• Application des techniques de post récolte</li> <li>• Mise en place des alambics modernes</li> <li>• Mise en fonctionnement de service de contrôle (poinçonnage des plants de vanille)</li> </ul> <p>Résultat 3 : marchés intérieurs des produits d'exportation</p> <ul style="list-style-type: none"> <li>• 13 marchés organisés ont été établis et sont fonctionnels. 20% de la production totale de vanille dans le District est écoulée sur ces marchés. Sur 88 collecteurs recensés, 29 ont participé à une formation sur la qualité des produits de rente et sont en possession de cartes professionnelles. Mais pour le girofle et le café, les pourcentages des produits vendus sur les marchés communaux par rapport aux productions totales sont très faibles et représentent respectivement 0,1% et 8%.</li> <li>• Mise en œuvre d'un système d'information de marché (SIM) en collaboration avec PPRR (projet FIDA)</li> <li>• Capitalisation des expériences (visite-échange avec un autre projet)</li> <li>• Appui aux Communes sur la bonne Gouvernance</li> </ul> <p>Résultat 4 : Marchés de niche</p> <p>Les groupements producteurs d'huile essentielle de girofle sont entrés en relations commerciales avec l'entreprise suisse Givaudan, qui est engagée dans une démarche d'approvisionnement à la source, et de rémunération équitable des produits</p> <p>L'évaluation conclut que l'approche multi-acteurs : collaboration pratique entre producteurs, autorités locales et secteur privé pour développer les filières girofle et vanille, initiée et développée par AIM témoigne de l'efficacité du projet traduite par les premiers effets positifs constatés et ce, malgré le temps imparti très limité pour assurer la durabilité des acquis et des effets.</p> <p><i>Source : Evaluation finale du projet SOAVA</i></p>
MG	<p>La stratégie du projet d'Antalaha a été construite autour d'enjeux qui conditionnent la relance de la filière vanille et l'amélioration des capacités productives et économiques des exploitations familiales qui produisent la vanille. Trois axes ont été développés :</p> <ul style="list-style-type: none"> <li>• Le renforcement des capacités productives</li> <li>• L'amélioration de la qualité des produits de manière à mieux coller aux exigences des marchés</li> <li>• L'organisation des filières et des marchés</li> </ul> <p>Le projet a établi différentes collaborations avec des acteurs présents dans la zone, principalement les producteurs et leurs organisations et les autorités locales.</p> <p>Les producteurs restent très réticentes à prendre en charge et à faire vivre les organisations qu'ils ont mises en place et appliquent parcimonieusement les techniques qui leur ont été transmises. Très réactive au facteur prix, qui n'est pas intéressant pour la vanille actuellement, la main d'œuvre familiale s'oriente davantage sur des spéculations plus sécurisantes, en particulier la sécurité alimentaire</p>

	<p>est ciblée. De même, face à l'insuffisance de trésorerie, les producteurs préfèrent vendre rapidement la vanille verte plutôt que de la traiter.</p> <p>La mise en œuvre du projet a été affectée par de nombreuses difficultés dues au contexte d'intervention (prix bas et prix administrés, désintéressement des acteurs par rapport à la qualité, faiblesse des organisations de producteurs, contexte politique, ...), au fonctionnement du dispositif d'intervention (partenariat difficile et dénoncé, difficulté à trouver des cadres de niveau approprié, difficulté à motiver les agents, éloignement des décideurs finaux) et à la durée des projets. Ces difficultés ont imposé un recentrage des activités sur 3 communes au lieu de 10 pour atteindre des résultats concrets.</p> <p><i>Source : Evaluation du projet d'appui à l'amélioration de la qualité et à la commercialisation de la vanille dans le district d'Antalaha</i></p>
<b>J.4.3</b>	<b><i>Commission support has contributed to improve the capacity of producers to respond to commodity market requirements</i></b>
<b>I.4.3.1</b>	Commission support contributed to improve availability and use of market information and advisory services to producer organisations/producers (e.g. agricultural commodity prices, quality standards, packaging, timely delivery, etc.) at national and regional level
<b>MG</b>	<p>Le programme Stabex a constitué un des rares et importants efforts significatifs d'investissement publics à Madagascar pour la relance des secteurs des cultures de rente en collaboration directe avec les producteurs et exportateurs. Le concept « filière » a été développé avec succès pour la vanille, le café et le litchi. Il a permis l'émergence ou le renforcement des organisations professionnelles, le développement et la diffusion de techniques pour débloquer les principaux goulots d'étranglement relatifs à la production, à la transformation et à la mise en marché, et/ou lorsque le potentiel existait, la standardisation des produits et le contrôle de la qualité, la promotion du label d'origine Madagascar, et si nécessaire des appuis pour des révisions réglementaires ou légales à Madagascar et dans l'UE</p> <p><i>Source : Cadre d'Obligations Mutuelles 1996-1999</i></p>
<b>MG</b>	<p>Les fonds Stabex ont financé entre fin 2008 et fin 2010, pour un budget total de €4,7 millions, onze projets mis en œuvre par cinq organisations.</p> <p>Chacun des onze projets poursuivait les mêmes objectifs d'accroissement du revenu des producteurs par l'augmentation et l'amélioration de l'offre de cinq produits agricoles d'exportation (cacao, café, girofle, poivre, vanille) et par une meilleure valorisation au moment de l'échange.</p> <p>L'augmentation de l'offre des produits devait être le résultat de l'augmentation de la production — résultant elle-même de l'extension des surfaces consacrées à ces cultures et de l'amélioration de la productivité des exploitations.</p> <p>Parallèlement, à ces actions d'augmentation de l'offre les actions d'amélioration de la qualité des produits mis en vente avaient également pour objet d'assurer une meilleure rémunération des producteurs. L'amélioration de la valorisation devait être le résultat d'une mise en adéquation de la demande exprimée par les acheteurs et de l'offre résultant des actions du programme.</p> <p>Un nouveau mécanisme de mise en vente — la vente publique sur les marchés communaux, lors de la première transaction de la chaîne des échanges — devait être celui par lequel les exigences des acheteurs seraient communiquées aux producteurs.</p> <p><i>Source : Assistance Technique à la mise en œuvre du programme d'intensification et de structuration des principales filières d'exportation de produits agricoles à Madagascar, Rapport</i></p>

	<i>final</i>
<b>MG</b>	<p>Les différentes industries — du cacao, du café, du girofle, du poivre et de la vanille — à Madagascar, ne sont que très faiblement structurées. Une ‘appropriation’ des objectifs et résultats du programme STABEX, ou des recommandations de l'assistance technique d'appui, ne peut donc être le fait que de structures fugaces, comme les projets, ou de structures qui ne sont pas directement concernées—i.e., directement ‘intéressées’—par les améliorations recherchées: celles de l'Etat malgache.</p> <p><i>Source : Assistance Technique à la mise en œuvre du programme d'intensification et de structuration des principales filières d'exportation de produits agricoles à Madagascar, Rapport final</i></p>
<b>MG</b>	<p>Ces dimensions ont été prises en compte à travers l'organisation de marché (avec pour objectif d'assurer aux exportateurs un approvisionnement de volumes significatifs en produits de qualité contrôlée) dans certaines interventions <u>au niveau local</u> dont celles d'AIM (Association Intercoopération Madagascar) financé sous Stabex avec 4 résultats : augmenter la production / améliorer la qualité des produits (en partant des semences) / <u>organiser le marché local</u> / développer la vanille bio. Les objectifs étaient les mêmes pour la vanille, le girofle et le café dans deux districts, l'un principalement vanille et l'autre girofle. Le café intéresse beaucoup moins les paysans de la région. (Source : MN 806).</p> <p>Néanmoins, ce projet AIM est une « exception » (qui par ailleurs est strictement locale et n'est pas répliquée dans d'autres zones) étant donné que la durabilité de tels projets est généralement « nulle » après l'arrêt des financements (Source : MN 802).</p>
<b>MG</b>	<p>Le projet SOAVA, financé sur fonds Stabex et mis en œuvre par l'ONG Association Intercoopération Madagascar (AIM) couvrait 14 Communes du district de Mananara Nord et environ 16.200 petits agriculteurs familiaux pratiquant des cultures d'exportation (vanille girofle, café) en complément de cultures vivrières.</p> <p>Les résultats attendus du projet étaient les suivants :</p> <ul style="list-style-type: none"> <li>- Résultat 1 : La productivité des facteurs de production des ménages ruraux est augmentée de manière durable ;</li> <li>- Résultat 2 : Les produits répondent aux normes de qualité des marchés nationaux et internationaux ;</li> <li>- Résultat 3 : Les marchés intérieurs des produits d'exportation fonctionnent de manière concurrentielle et au bénéfice des producteurs ;</li> <li>- Résultat 4 : De nouveaux marchés de niche sont identifiés et exploités.</li> </ul> <p>AIM a adopté comme approche de mise en œuvre de ces deux projets la collaboration et l'interaction entre les trois pôles d'acteurs de ces filières d'exportation : (i) les producteurs à la base, (ii) les collecteurs locaux en contact direct avec les producteurs et (iii) les autorités locales responsables de la mise en place d'un cadre favorable.</p> <p>Selon l'évaluation finale du projet, les résultats suivants ont été obtenus :</p> <p>Résultat 1 : Productivité des facteurs de production</p> <ul style="list-style-type: none"> <li>• Des intrants de qualité ont été mis à la disposition des producteurs (établissement de pépiniéristes, production de plants de girofliers)</li> <li>• Les techniques culturales ont été améliorées</li> <li>• Les terroirs communaux sont mieux exploités (plantations d'acacias et eucalyptus)</li> </ul> <p>Résultat 2 : Les produits répondant aux normes de qualité des marchés nationaux et internationaux</p>

	<ul style="list-style-type: none"> <li>• Regroupement des producteurs professionnels</li> <li>• Application des techniques de post récolte</li> <li>• Mise en place des alambics modernes</li> <li>• Mise en fonctionnement de service de contrôle (poinçonnage des plants de vanille)</li> </ul> <p>Résultat 3 : marchés intérieurs des produits d'exportation</p> <ul style="list-style-type: none"> <li>• 13 marchés organisés ont été établis et sont fonctionnels. 20% de la production totale de vanille dans le District est écoulee sur ces marchés. Sur 88 collecteurs recensés, 29 ont participé à une formation sur la qualité des produits de rente et sont en possession de cartes professionnelles. Mais pour le girofle et le café, les pourcentages des produits vendus sur les marchés communaux par rapport aux productions totales sont très faibles et représentent respectivement 0,1% et 8%.</li> <li>• Mise en œuvre d'un système d'information de marché (SIM) en collaboration avec PPRR (projet FIDA)</li> <li>• Capitalisation des expériences (visite-échange avec un autre projet)</li> <li>• Appui aux Communes sur la bonne Gouvernance</li> </ul> <p>Résultat 4 : Marchés de niche</p> <p>Les groupements producteurs d'huile essentielle de girofle sont entrés en relations commerciales avec l'entreprise suisse Givaudan, qui est engagée dans une démarche d'approvisionnement à la source, et de rémunération équitable des produits</p> <p>L'évaluation conclut que l'approche multi-acteurs : collaboration pratique entre producteurs, autorités locales et secteur privé pour développer les filières girofle et vanille, initiée et développée par AIM témoigne de l'efficacité du projet traduite par les premiers effets positifs constatés et ce, malgré le temps imparti très limité pour assurer la durabilité des acquis et des effets.</p> <p><i>Source : Evaluation finale du projet SOAVA</i></p>
<b>MG</b>	<p>De 2001 à 2005, Le Groupement des Exportateurs de la Sava (GES) puis le CHTT avaient mis en place un dispositif de suivi de la floraison capable de fournir des estimations sur le potentiel de récolte de l'année suivante mais ce dispositif n'a pu être pérennisé. Depuis, la diffusion de prévisions par des acteurs fortement impliqués dans les échanges peut être un moyen de chercher à influencer sur le marché.</p> <p><i>Source : Délégation de l'UE à Madagascar, Note filière Vanille</i></p>
<b>MG</b>	<p>Au terme des 15 premiers mois de mise en œuvre du programme Stabex en appui à l'intensification de la production et la structuration des filières (sur une durée totale de 27 mois), une trentaine de marchés physiques ont pu être mis en place et ont offert des services de contrôle de l'humidité, certification, pesée,... Toutefois, les volumes des produits transitant ces marchés sont encore faibles : 193 tonnes de café, 29 tonnes de girofle et 3,4 tonnes de vanille, pour la campagne 2009/2010, avec des prix fixés en fonction de la qualité ou de la catégorie de produit. Aucun marché de la vanille préparée n'a pu être organisé dans les districts d'Antalaha et Sambava car la fixation d'un prix plancher par l'Etat a eu l'effet contraire à celui attendu (perte de compétitivité des exportations malgaches par rapport aux pays concurrents et démotivation des producteurs face à la mévente de la vanille). A cela s'ajoute, dans certaines communes, la non implication des responsables communaux, notamment pour l'adoption des réglementations concernant la commercialisation des produits sur les marchés créés compte tenu du contexte sociopolitique.</p> <p><i>Source : Rapport Stabex 2009</i></p>

<b>J.4.4</b>	<b><i>Incomes of producers, sector and countries have improved as a result of Commission's support to the implementation of commodity chain strategies</i></b>
<b>I.4.4.1</b>	Evidence of increased exports (volume and value) of agricultural commodities to regional and international markets, of which in particular the EU
<b>MG</b>	<p>Non pour les deux produits ciblés (<u>vanille et café</u>) (Source : Rapport sur les exportations du secteur agriculture – élevage - pêche en 2009, EU Delegation of Madagascar)</p> <p>« A Madagascar, les exportations du secteur agriculture-élevage-pêche occupent la seconde place, avec 30% du total. Elles ont généré 290 millions USD de recettes en 2009 contre 351 millions USD l'année précédente (-17%). Les exportations de produits animaux (hors pêche) comptent pour moins de 5% du total et sont principalement constituées de cuirs et peaux. Huit (8) produits ou catégories de produits représentent à eux seuls 85% de la valeur des exportations du secteur. Leur performance en 2009 dépend plus de facteurs structurels internes ou de l'état des marchés internationaux, que de l'effet de la crise politique qui a marqué le pays depuis le début de l'année. Les exportations de <u>crevettes et de vanille</u>, les deux principaux produits, ont connu de <u>sérieuses difficultés en 2009</u>, qui se traduisent par une perte de 77 millions USD de recettes (-47%) par rapport à la moyenne 2006-2008 »</p>
<b>I.4.4.3</b>	<p>Evidence that income levels at producer level and within the agricultural sector as a whole have stabilised and increased through:</p> <ul style="list-style-type: none"> <li>▪ The increased competitiveness of the agricultural commodity production</li> <li>▪ A diversification of the sources of income of the agricultural sector through expansion of agricultural commodity value added</li> <li>▪ Higher export earnings</li> </ul>
<b>MG</b>	<p>Très peu d'évidences à ce sujet. Selon notre appréciation personnelle, les revenus des producteurs malgaches restent très bas.</p> <p>Seule évidence citée par des bénéficiaires du projet AIM-SOAVA (exception): la diversification des cultures de rente permet de mieux étaler les revenus monétaires tout au long de l'année même si les bas prix internationaux (vanille) grèvent les prix de vente et que l'amélioration de la qualité ne semble pas avoir d'impact direct sur les prix (Source: MN 814)</p>
<b>I.4.4.4</b>	Producer/ farmer organisations and producers views on the effectiveness of increased competitiveness as an income increasing and stabilising tool and on the benefits from improved access to regional and international markets
<b>MG</b>	<p>Seule évidence citée par des bénéficiaires du projet AIM-SOAVA (exception): la diversification des cultures de rente permet de mieux étaler les revenus monétaires tout au long de l'année même si les bas prix internationaux (vanille) grèvent les prix de vente et que l'amélioration de la qualité ne semble pas avoir d'impact direct sur les prix (Source: MN 814)</p> <p>La vision des producteurs agricoles reste de manière générale portée sur le (très) court-terme.</p>

**EQ 5 on the Commission's support to risk management**

<b>To what extent has the Commission's support contributed to protect agricultural commodity producers from income variability through risk management and/or social safety nets?</b>	
<b>J.5.1</b>	<b><i>Commission support has contributed to the development and implementation of risk management and compensatory tools</i></b>
<b>I.5.1.6</b>	Evidence that the Commission supported interventions related to risk management at micro-level in order to better cope with agricultural commodity price variability
<b>MG</b>	<p>Non, il existe peu d'interventions structurées sur les produits agricoles concernant la gestion des risques sauf dans le domaine de la sécurité alimentaire avec des alertes précoces et le suivi des évolutions de prix. La Délégation souhaiterait aider à la mise en place d'outils pratiques sur la gestion des risques (assurances, etc.) sur base de ce qui se fait peut-être ailleurs. (Source : MN 801).</p> <p>En effet, AIM (Association Intercoopération Madagascar) souligne également qu'il n'y a pas de mécanisme d'atténuation du risque lié aux variations de prix. En organisant la profession en filière, ils espéraient amener les différentes parties prenantes à adopter une approche plus solidaire. Le stockage est techniquement possible mais financièrement difficile. (Source : MN 806). Seule évidence citée par des bénéficiaires du projet AIM-Stabex : la diversification des cultures de rente permet de mieux étaler les revenus monétaires tout au long de l'année même si les bas prix internationaux (vanille) grèvent les prix de vente et que l'amélioration de la qualité ne semble pas avoir d'impact direct sur les prix (Source: MN 814)</p> <p>OTIV (organisme de micro-crédit) a ce projet de micro-assurance dans ses cartons mais rien n'a été entrepris jusqu'à maintenant (Source : MN 813).</p>
<b>J.5.3</b>	<b><i>Income variability and vulnerability to price fluctuations of producers, sector and countries has declined as a result of improved risk management</i></b>
<b>I.5.3.1</b>	Evidence that the producer can better manage potential agricultural commodity price variability
<b>MG</b>	Seule évidence citée par des bénéficiaires du projet AIM-Stabex (exception) : la diversification des cultures de rente permet de mieux étaler les revenus monétaires tout au long de l'année même si les bas prix internationaux (vanille) grèvent les prix de vente et que l'amélioration de la qualité ne semble pas avoir d'impact direct sur les prix (Source: MN 814)
<b>I.5.3.2</b>	Year-to-year and in-year variations of income levels within the agricultural sector as a whole have been reduced through the use of risk management and compensatory tools
<b>MG</b>	<p>Non, il n'existe pas d'outils de gestion de risques. La diversification des cultures est par contre un moyen d'atténuer les variations annuelles des revenus.</p> <p>En effet, seule évidence citée par des bénéficiaires du projet AIM-Stabex : la diversification des cultures de rente permet de mieux étaler les revenus monétaires tout au long de l'année même si les bas prix internationaux (vanille) grèvent les prix de vente et que l'amélioration de la qualité ne semble pas avoir d'impact direct sur les prix (Source: MN 814)</p>

<b>I.5.3.4</b>	Year-to-year variations of income levels at country level have been reduced
<b>MG</b>	<p>Non de manière générale (valeur des exportations agricoles ont chuté de 17% de 2008 à 2009) ainsi que pour les deux produits ciblés (vanille et café) (Source : Rapport sur les exportations du secteur agriculture – élevage - pêche en 2009, Délégation de l'UE à Madagascar). A Madagascar, les exportations du secteur agriculture-élevage-pêche occupent la seconde place, avec 30% du total. Elles ont généré 290 millions USD de recettes en 2009 contre 351 millions USD l'année précédente (-17%). Les exportations de produits animaux (hors pêche) comptent pour moins de 5% du total et sont principalement constituées de cuirs et peaux. Huit (8) produits ou catégories de produits représentent à eux seuls 85% de la valeur des exportations du secteur. Leur performance en 2009 dépend plus de facteurs structurels internes ou de l'état des marchés internationaux, que de l'effet de la crise politique qui a marqué le pays depuis le début de l'année. Les exportations de <u>crevettes et de vanille</u>, les deux principaux produits, ont connu de <u>sérieuses difficultés en 2009</u>, qui se traduisent par une perte de 77 millions USD de recettes (-47%) par rapport à la moyenne 2006-2008. »</p>

### EQ 6 on the Commission's support to diversification

To what extent has Commission support helped producers, the agricultural sector and commodity dependent ACP countries to successfully diversify around traditional products?	
<b>J.6.1</b>	<i>The Commission's support has facilitated the analysis of Government's policy choices aiming for diversification and growth</i>
<b>MG</b>	<p>Comme noté plus haut (QE2), la stratégie nationale de développement agricole est centrée sur la production rizicole.</p> <p>La Facilité Sécurité Alimentaire a fourni un appui important au secteur rizicole (financement d'actions de structuration de la filière par des ONG, d'une assistance technique FIDA, mise en place d'un observatoire des prix).</p> <p>Les appuis Stabex aux cultures d'exportation (café, vanille, girofle, litchis) a contribué à diversifier les sources de revenu des paysans bénéficiaires mais ces appuis ne s'inscrivaient pas dans une stratégie explicite du gouvernement malgache (bien que les nombreux documents de stratégie produits par le gouvernement au fil des années – mais jamais mis <b>en œuvre – fassent rituellement référence aux cultures d'exportation.</b></p>
<b>I.6.1.2</b>	Evidence that specific tools have been developed and continue to be used for supporting strategic choices (e.g. competitiveness evaluations of specific commodity chains)
<b>MG</b>	<p>Seule évidence: des missions d'assistance technique (4) à la mise en œuvre du programme d'intensification et de structuration des principales filières d'exportation de produits agricoles à Madagascar ont été effectuées dans le cadre du programme STABEX (vanille, café, girofle, cacao et poivre)</p> <p><i>Source: Assistance technique à la mise en oeuvre du programme d'intensification et de structuration des principales filières d'exportation de produits agricoles à Madagascar</i></p>
<b>I.6.2.3</b>	The Commission has commissioned studies of causes of low food production and their possible remedies for Governments to implement enabling environments
<b>MG</b>	La Délégation a produit différentes notes d'analyses (assez concises mais précises et

	qui abordent des éléments concernant le faible niveau de production) : Note filières, Vanille, juin 2010. Toutefois, la stratégie de développement agricole du gouvernement est actuellement fortement centrée sur les cultures vivrières (riz et manioc). Le développement des cultures d'exportation n'est pas la priorité (Source : MN 805).
<b>J.6.4</b>	<b><i>The income vulnerability of producers, sector and countries has declined as a result of the implementation of diversification strategies</i></b>
<b>MG</b>	Le développement des cultures d'exportation (café, vanille, girofle, litchi) soutenu localement par les projets Stabex en complément des cultures vivrières (riz, manioc) apporte aux paysans un revenu monétaire qui leur permet si nécessaire d'acheter du riz pendant la période de soudure. Par ailleurs, pratiquer plusieurs cultures d'exportation permet de lisser les effets des variations de prix sur un produit particulier et assure par ailleurs des rentrées d'argent réparties sur différentes périodes de l'année.
<b>I.6.4.2</b>	Evidence that income levels of producers have stabilised and increased in geographical zones where diversification strategies have been implemented
<b>MG</b>	Non, les revenus des producteurs malgaches restent très bas. Seule évidence citée par des bénéficiaires du projet AIM-Stabex : la diversification des cultures de rente permet de mieux étaler les revenus monétaires tout au long de l'année même si les bas prix internationaux (vanille) grèvent les prix de vente et que l'amélioration de la qualité ne semble pas avoir d'impact direct sur les prix (Source: MN 814). Toutefois, le succès et la durabilité de cette intervention est une exception dans l'ensemble des interventions passés de la CE (Source : MN 802 et débriefing)
<b>I.6.4.3</b>	Evidence that income levels within the agricultural sector as a whole have stabilised and increased through the implementation of vertical and horizontal diversification
<b>MG</b>	<p>Non de manière générale (valeur des exportations agricoles ont chuté de 17% de 2008 à 2009) ainsi que pour les deux produits ciblés (vanille et café) (Source : Rapport sur les exportations du secteur agriculture – élevage - pêche en 2009, EU Delegation of Madagascar)</p> <p>« A Madagascar, les exportations du secteur agriculture-élevage-pêche occupent la seconde place, avec 30% du total. Elles ont généré 290 millions USD de recettes en 2009 contre 351 millions USD l'année précédente (-17%). Les exportations de produits animaux (hors pêche) comptent pour moins de 5% du total et sont principalement constituées de cuirs et peaux</p> <p>Huit (8) produits ou catégories de produits représentent à eux seuls 85% de la valeur des exportations du secteur. Leur performance en 2009 dépend plus de facteurs structurels internes ou de l'état des marchés internationaux, que de l'effet de la crise politique qui a marqué le pays depuis le début de l'année.</p> <p>Les exportations de <u>crevettes et de vanille</u>, les deux principaux produits, ont connu de <u>sérieuses difficultés en 2009</u>, qui se traduisent par une perte de 77 millions USD de recettes (-47%) par rapport à la moyenne 2006-2008. »</p>



### EQ 8 on the use made of different financing instruments in support of agricultural commodities

To what extent were different financing instruments and implementation modalities used in a cost effective and timely manner in order to facilitate attainment of the COM's objectives?	
<b>J.8.1</b>	<i>The use of different financing instruments facilitated the development of synergies and complementarities between different interventions so as to facilitate achievement of the COM's objectives</i>
<b>I.8.1.1</b>	Evidence that a mix of different financing instruments (EDF, budget lines and emergency financing mechanisms) has been used in support of agricultural commodities in order to facilitate attainment of the COM's objectives
<b>MG</b>	<p>Les fonds Stabex pour les années 1991 à 1999 ont représenté un total de €68,4 millions. Ils ont été utilisés comme suit :</p> <ol style="list-style-type: none"> <li>6. Désenclavement (en particulier au bénéfice des régions productrices de produits agricoles d'exportation) : €28,1 million (41,1%)</li> <li>7. Filières agricoles d'exportation (café, vanille, litchi, aquaculture) : 20,6 million (30.1%)</li> <li>8. Normalisation, contrôle qualité et promotion des produits agricoles : €6,6 million (9,6%)</li> <li>9. Surveillance des pêches : €7,9 million (11,5%)</li> <li>10. Appui institutionnel (notamment appui au bureau de l'ordonnateur national) : €5,1 million (7,5%)</li> </ol> <p>Ces crédits ont été épuisés fin 2010. Source : Délégation de l'UE à Madagascar</p>
<b>MG</b>	<p>« Le programme Stabex a constitué un des rares et importants efforts significatifs d'investissement publics à Madagascar pour la relance des secteurs des cultures de rente en collaboration directe avec les producteurs et exportateurs. Le concept « filière » a été développé avec succès pour la vanille, le café et le litchi. Il a permis l'émergence ou le renforcement des organisations professionnelles, le développement et la diffusion de techniques pour débloquer les principaux goulots d'étranglement relatifs à la production, à la transformation et à la mise en marché, et/ou lorsque le potentiel existait, la standardisation des produits et le contrôle de la qualité, la promotion du label d'origine Madagascar, et si nécessaire des appuis pour des révisions réglementaires ou légales à Madagascar et dans l'UE. »</p> <p>Source : Cadre d'Obligations Mutuelles 1996-1999</p>
<b>J.8.2</b>	<i>At country level, the support to agricultural commodities used a mix of financing modalities and implementation mechanisms that offered timely and cost-effective responses to the challenges identified</i>
<b>MG</b>	<p>La complémentarité entre instruments s'est faite au niveau local et non au niveau pays. Dans les régions où sont pratiquées les cultures de vanille, girofle, café elle s'est faite à travers la complémentarité entre les FRDA et CSA et les initiatives soutenues par les projets Stabex.</p> <p>La coordination entre projets Stabex a laissé à désirer (par exemple entre le CTHT et le projet SOAVA qui opéraient dans la même région)</p>

<b>I.8.2.3</b>	Views of Commission staff on the appropriateness of financing modalities and implementation mechanisms used for the different financing instruments
<b>MG</b>	<p>La Délégation estime que l'idéal serait d'avoir accès à <u>Stabex, lignes budgétaires et FED</u> car cela permet d'avoir un mix d'outils complémentaires (appui budgétaire, interventions,...) qui permettent de prendre en compte l'ensemble des problèmes affectant le secteur agricole malgache (formation, production, qualité, organisation marché, secteur privé, foncier, infrastructures, décentralisation,...) (Source : MN 804 et débriefing Délégation).</p> <p>En effet, dans les régions où sont pratiquées les cultures de vanille, girofle, café, une complémentarité a été observée entre d'une part les FRDA et CSA (structures d'appui au développement agricole) et d'autre part les initiatives soutenues par les projets Stabex. A noter que la complémentarité entre instruments s'est faite au niveau régional et non au niveau pays.</p>

### EQ 9 concluding on the relevance of the 2 COMs

To what extent has the Commission's support to agricultural commodities been:

- (xvi) responsive to the needs, problems and issues of commodity dependent ACP countries,
- (xvii) aligned to and supportive of the policy objectives and priorities of recipient commodity dependent ACP countries and regions, and
- (xviii) consistent with and supportive of the objectives of the two communications COM(2004)89 and COM(2004)87<sup>1</sup>?

<sup>1</sup> COM(2004)89: 'Agricultural Commodity Chains, Dependence and Poverty – A proposal for an EU Action Plan'; COM(2004)87: 'Proposal for an EU-Africa partnership in support of cotton sector development' and its associated Action Plan (Action plan for the implementation of the EU-Africa Partnership for cotton)

<b>J.9.1</b>	<i>The interventions supported by the Commission in the field of agricultural commodities have been designed as a response to the country's needs, problems and issues</i>
<b>I.9.1.4</b>	Views of stakeholders on appropriateness of needs identified and on the priorities chosen with respect to the needs identified as well as on their ownership of Commission-funded activities
<b>MG</b>	<p>D'une part, la <b>création des FRDA-CSA</b> vise à doter Madagascar d'un outil de développement agricole impliquant l'ensemble des parties prenantes (bailleurs, gouvernement, agriculteurs, prestataires de services) et d'autre part, les <b>projets Stabex</b> ont appuyé les principales filières de produits d'exportation. Ces deux approches sont potentiellement complémentaires et sont cohérentes vis-à-vis des besoins identifiés au niveau du secteur agricole.</p> <ul style="list-style-type: none"> <li>• Le Programme d'Action pour la Sécurité Alimentaire a débouché sur le PASAM et la création des <b>Centres de Services Agricoles (CSA)</b> et des <b>Fonds de Développement Régionaux Agricoles (FRDA)</b> dans 6 régions. Les CSA ont un rôle de facilitation : trouver qui peut répondre aux besoins des producteurs agricoles (Source : MN 804). L'ensemble des 36 districts ont un CSA. CSA est l'outil technique. FRDA sont l'outil financier. (Source : MN 805).</li> <li>• <b>Projets Stabex</b> : lorsque l'ensemble des problèmes et des besoins afférant au secteur agricole (production, qualité, transformation, commercialisation,...) sont pris en compte et que l'ensemble des intervenants sont impliqués (producteurs, collecteurs, exportateurs, autorités communales,...), l'appropriation des activités entreprises par une agence exécutive ont de plus grandes chances de perdurer dans le temps.</li> </ul> <p>En effet, ces dimensions ont été prises en compte de manière coordonnée dans certaines interventions <u>au niveau local</u> dont celles d'AIM (Association Intercoopération Madagascar) financé sous Stabex avec 4 résultats : augmenter la production / améliorer la qualité des produits (en partant des semences) / organiser le marché local / développer la vanille bio. Les objectifs étaient les mêmes pour la vanille, le girofle et le café dans deux districts, l'un principalement vanille et l'autre girofle. Le café intéresse beaucoup moins les paysans de la région. (Source : MN 806).</p> <p>Toutefois, comme indiqué ci-après (I.9.1.5), ce projet reste une exception (cela n'est pas le cas de la grande majorité des interventions).</p> <p>En outre, la Délégation estime que les différents instruments sont complémentaires. En effet, l'idéal serait de continuer Stabex, lignes budgétaires (banane, sucre et sécurité alimentaire) et FED car cela permet d'avoir un <u>mix d'outils</u> (appui budgétaire, interventions,...) qui permettent de <u>prendre en compte l'ensemble des problèmes affectant le secteur agricole</u> malgache (formation, production, qualité, organisation marché, secteur privé, foncier, infrastructures, décentralisation,...) (Source : MN 804 et débriefing Délégation).</p>