



FOUR YEARS COFFEE INNOVATION FUND – RESULTS AND IMPACTS

April 9th 2024,
8:00 am (CET)



Implemented by



On April 9th 2024, roughly **60 participants** from the **private sector**, **civil society** and **research** joined the international virtual event “Four Years Coffee Innovation Fund – Results and Impacts” (see the [agenda](#) here). Based in different corners of the world (Africa, Latin America, USA, Asia, and Europe), they all shared one common interest: the **sustainability of the global coffee sector**.

Hosted by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) and its sector project [Initiative for Sustainable Agricultural Supply Chains \(INA\)](#), the objective of the event was to explore the **innovative approaches** and **lessons learned** from the **Coffee Innovation Fund (CIF)**. Between 2019 and 2023, the CIF supported 53 1-year pilot projects in Myanmar, Indonesia, Vietnam, Ethiopia, Kenya, Rwanda and Uganda, with up to €50,000. With a total budget of €4.6 million the fund was financed by the German Federal Ministry for Economic Cooperation and Development (BMZ) and jointly implemented by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) and private project partners.

Key takeaways:

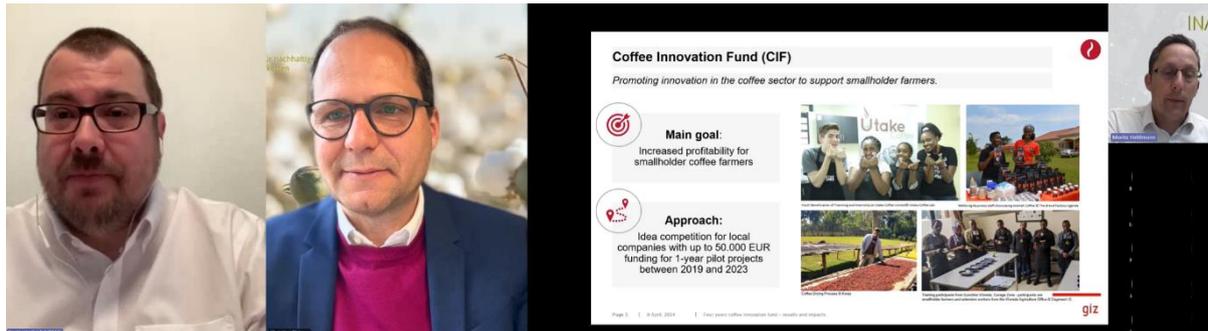
- The CIF successfully ran between 2019 and 2023 with the overall goal to **increase profitability of smallholder coffee farmers**.
- With **small businesses**, **start-ups**, and **cooperatives** as the immediate target group of the CIF, the implementation of the projects directly involved **60.000 smallholder coffee farmers**.
- The **Recipe Books** are one of the main products of the CIF. They illustrate the developed innovations and serve as guidance for **replicability** and **scalability** of those solutions.
- An **evaluation study** of the CIF concluded that, despite obstacles like delays in implementation and procurement, the CIF had overall positive results with a strong **demand orientation** and an **innovation-boosting** character. It should be noted that these are short-term results.
- The **thematic diversity** of the CIF including **digitalization**, **gender equality**, **climate mitigation and adaptation** and **value addition** was highlighted in small and interactive workshop sessions.



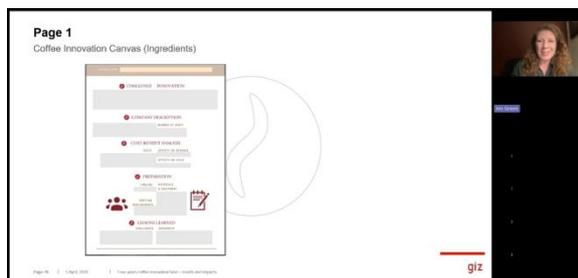
Introduction

After the initiation of the event by moderator Christian Thorun from ConPolicy GmbH, Benjamin Seidel from the BMZ gave an opening statement highlighting the relevance of **coffee as a livelihood**, the many **challenges smallholder farmers** face, and the **support** provided by BMZ, particularly through the **CIF**. Subsequently, Moritz Heldmann, head of the INA, gave a brief introduction to the CIF and described its **objectives, approach, and success factors**. Among others, the CIF was described as “**innovation catalyst**”.

View [recording](#) (minute 12:00 to 22:00) & presentation of the [CIF](#)



Recipe Books



The independent consultant Jen Green vividly introduced the CIF Recipe Books as **illustrative** and **easy-to-read** handbooks of the CIF projects and their innovative solutions. Putting the various “ingredients” together allows to **replicate** and **scale** those solutions. But where to start? According to Jen, a company may navigate the Recipe Books by,

first, looking for **similar themes or challenges** to identify with, and then working all way through the recipe. A particularly interesting innovation Jen encountered was the processing of dried coffee skin, so-called **cascara**, into decaffeinated beverages to avoid waste and create additional value. In addition, a **focus on traceability** stood out as a response to new **supply chain regulations** demanding products to be **deforestation-free** (see [EUDR](#)). To end, Jen called out to share ideas and learn from each other. In order to do so, a first set of Recipe Books can already be found [here](#) (scroll down to the bottom of the page). Another batch will be published in the upcoming weeks.

View [recording](#) (minute 12:00 to 22:00) & presentation of the [Recipe Books](#)

Evaluation Study

André Gersmeier from Mainlevel Consulting AG shared the results of an evaluation study conducted of the CIF. The study focused on the **meta level** and analysed the main objectives, which varied from project to project. While André rightfully pointed towards hurdles such as **administrative issues, project duration** and **monitoring**, he emphasized the **overall positive results** of the CIF in meeting the projects’ self-defined objectives.



In particular, the **demand orientation**, **thematic diversity**, **technical support** provided by GIZ, and the **appropriateness of funding** were positively evaluated. Partners furthermore demonstrated **high motivation**, **ambition** and a **strong sense of ownership**. Against this background, what to take away for potential future



projects? André explained how **specific topics** like gender equality, deforestation or local value addition can only be meaningfully addressed if they are **explicitly in focus**. Besides, future projects would benefit from more **time flexibility**. André suggested three-month phasing in and phasing out periods at the beginning and end of projects to allow for a buffer and relive time pressure. He concluded with his very personal key takeaway from the study: the CIF was not only a **“lifeline”** for many partners during the COVID-19 pandemic but was moreover able to successfully **“planting a seed”** on which to build in the future.

View [recording](#) (minute 57:57 to 01:44:44) & presentation of the [Evaluation Study](#)

Spotlight presentations

Digitalization

During their spotlight presentation, Eustache Mutakirwa (Muraho Trading Company) and David Paparelli (M Cultivo) highlighted the potential of digital technology to **add value** for coffee producers. It not only responds to **consumers demands**, but also to mandatory **traceability requirements** in light of **supply chain regulations** like EUDR. However, **challenges** like lengthy data collection processes, need for external expertise and a mismatch between solutions and supply chains persist, which increase the costs. Against this background, the CIF project developed a digital platform to improve farmers' access to information and organizational efficiency. The group discussion focused mainly on the **financing challenges** especially for companies in developing countries, e.g. to access operation audits, collect production costs in the field and maintain digital solutions.

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Gender equality

Denyse Uwera (D Image Limited, on behalf of Rwanda Small Holder Specialty Coffee Company) and Blanca Castro (International Women's Coffee Alliance) shared their experiences on gender equality in the coffee sector. With Blanca underlining the importance of **women getting organized** and increasingly **building confidence**, Denyse shared an example of exactly that: a coffee marketing campaign created by organized women to increase their visibility. The **role of men**, the **uptake** of the marketing campaign on the **German market** and the collaboration between **Germany** and **Rwanda** were among the main points of discussion. On an ending note, Denyse recommended other companies to actively encourage **participation** and **representation** of women in their value chains and make all stakeholders understand the value it brings.

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Climate mitigation and adaptation

Francescah Munyi (Kofar Kenya Ltd.) and Christian Bunn (Center for Tropical Agriculture) shared their insights into the role of coffee production in the context of climate change. Being a sensitive crop, **coffee livelihoods** are increasingly under **threat**. However, it is difficult for farmers to **understand** the **impact of global temperature rises on coffee** production. To address the increasing challenge of **soil degradation** in the context of climate change, Francescah described their holistic approach providing **tree seedlings** and **soil treatments** to increase **tree cover**, allow for **cleaner water**, improve **nutrition** and create **additional sources of income** while actively **involving women**. Main topics of discussion included the question of **affordability** for farmers, the **risks of long-term investment in trees** and the **challenges** and **opportunities** that arise in Kenya in the context of the **EUDR**.

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Value-addition strategies

During their spotlight presentation, Mbula Musau (Utaka Ltd.) and Gilbert Gatali (African Fine Coffees Association) presented the topic of **value-addition strategies**. From an African perspective, challenges like **funding**, access to **resources and markets** and **low coffee consumption** on the continent force coffee producers to exporting coffee. However, the continent is full of opportunities such as a **young population**, a **fast-growing economy**, and the production **high-quality and specialty coffee**. The CIF project presented by Mbula, which aimed at the development of an innovative coffee drip bag, carbon-free coffee, higher prices for farmers and women and youth empowerment, led to a successful increase of farmers' incomes. The discussion touched upon questions of marketing, increasing market access for African coffees, and strengthening the capacities and participation of smallholders, youth, and women. A very concrete recommendation when working on increased coffee quality was to contact the **Sustainable Coffee Institute** for advice.

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More information on the CIF and further material can be found here: [Coffee Innovation Fund \(nachhaltige-agrarlieferketten.org\)](https://www.coffeeinnovationfund.org)

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