

# BUILDING A NATIONAL INDUSTRY

THE ROLE OF INDUSTRY ASSOCIATIONS IN THE DEVELOPMENT OF  
THE COCOA AND COFFEE INDUSTRY IN THE DRC

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## **Building a National Industry**

### **The Role of DRC Cocoa and Coffee Industry Associations in Industry Development**

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#### **Glossary of Industry Associations and Government Entities Involved in the Congolese Cocoa and Coffee Sectors**

Industry Associations (in alphabetical order):

- African Fine Coffees Association - DRC Chapter (AFCA RDC)
- Association des Exportateurs des Café de Goma (ASECAG)
- Association des Exportateurs du Cacao Café de la RD Congo (ASSECCAF)
- Conseil Interprofessionnel pour l'Promotion de l'Agriculture (CIPA)
- Fédération des Entreprises du Congo (FEC) Comité Professionnel Café & Cacao
- Femmes Congolaises dans le Café & Cacao (IFCCA)

Government Entities (in alphabetical order):

- Direction Générale des Douanes et Accises (DGDA)
- Direction Générale des Recettes Administratives (DGRAD)
- l'Office National des Produits Agricoles (ONAPAC), formerly known as l'Office National du Café (ONC)
- Ministère de l'Agriculture et du Développement Rural
- Ministère de l'Agriculture, Pêche et Elevage;
- Ministère des Finances
- Ministère du Commerce Extérieur;
- Office Congolais de Contrôle (OCC)
- Office de la Gestion de Fret Multimodal (OGEFREM)
- Office National des Produits Agricoles du Congo (ONAPAC)
- Service de Quarantaine Animale et Végétale (SQAV)

## Executive Summary

Coffee and cocoa from the Democratic Republic of Congo are internationally renowned for their high quality and robust flavour. The industry is also an important economic driver in Congo. In North and South Kivu, an estimated 250,000 coffee farmers and 65,000 cocoa farmers rely on specialty crops as their primary source of income.<sup>1</sup> Coffee and cocoa are also valued sources of revenue for many government regulators and bodies.

Not long ago, however, Congo's coffee and cocoa industry was in peril. After two decades of underinvestment, conflict and high perceived risk, participation in the industry as well as overall production declined significantly between the 1990s and 2000s. In 1990, Congolese coffee exports totalled 120,000 metric tonnes (MT). By the early 2000s, though, coffee exports plunged to 5,000 MT<sup>2</sup> while cocoa production declined to only 600 MT.<sup>3</sup>

In recent years, spurred by renewed buyer interest, the industry has led efforts to return Congolese coffee and cocoa to greater prosperity through collective action. DRC's exporters started to organise in order to reduce their individual exposure to historically poor and negative government engagement. Moreover, realizing the value of strength in numbers, learning from approaches in other countries<sup>4</sup>, and with assistance from development partners such as ÉLAN RDC, buyers also began to collaborate more closely, now approaching previously ineffectual, poorly coordinated industry investment in partnership.

The emergence of a stronger and more organised Congolese coffee and cocoa industry that advocates and supports reform collectively has already resulted in significant growth and a rebound in regulated coffee and cocoa exports in recent years. On the heels of the execution of major tax reform legislation (ministerial Decree 029 Article 73 in late 2015), exports dramatically increased, when during the 2015/2016 season, 11,391 MT of coffee and 11,076 MT of cocoa were *officially* exported. In addition, during the same period, exports of specialty grade coffee (K3) containers (19.2 MT) surged from 21.64 in 2014 to 39.12 in 2017, ushering in a new wave of buyers representing Asian, European and North American markets.<sup>5</sup>

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<sup>1</sup> ÉLAN RDC 2015 Annual Report and 2016 Business Plan

<sup>2</sup> Beyond Borders Projects, Final Report, Finding Perception Research, Proposed Next Steps, Marketing Action Plan, ÉLAN RDC, June 2016

<sup>3</sup> ÉLAN RDC 2015 Annual Report and 2016 Business Plan

<sup>4</sup> Ethiopian Coffee Exporters' Association (ECEA), Conselho dos Exportadores de Café do Brasil (CeCafé), Coffee Exporters Association Guatemala, Association of Indonesian Coffee Exporters

<sup>5</sup> African Coffee Roasters, Atlas Coffee Importers, Colruyt Group, Counter Culture, Equal Exchange, Falcon Coffees, Higher Grounds Trading Co., Kivu Coffee, Let Sequoia, Olam Specialty Coffee, Peet's Coffee, Starbucks, Strauss Coffee, Trabocca, Tropicore, Twin Trading

**Table 1. Snapshot of Current DRC Cocoa and Coffee Industry**

Formal Export Taxes for Services Rendered	2014	2018
Government Agencies Export Tax (DGRAD, DGDA, OCC, OGEFREM)	3.50%	0.25%
Informal Taxes and Fees Levied per Lot (est.)	\$821.82	\$299.82
Active Industry Associations	1 <sup>6</sup>	4 <sup>7</sup>
Average Free on Board (FOB) commercial grade K4 (home processed parchment) pricing accounting for "Congo Discount" <sup>8</sup>	USD -0.12 to -0.7	USD -0.5 to Level Market

## Industry Challenges

Congo's unique coffee and cocoa profile and high production potential have earned the country the title of the "final frontier" among an ever-increasing circle of buyers. For many, Congo has long been seen as an attractive opportunity for enterprising buyers and exporters despite the industry's underperformance and risk profile throughout the 1990s and 2000s.

In order to fully capitalize on the opportunity, significant and coordinated industry-wide effort was required to address numerous and complex constraints that challenged industry and its performance.

### High Formal and Informal Taxes

For years, Congolese exports suffered from prohibitively high tax rates imposed on agricultural products by the Direction Générale des Douanes et Accises (DGDA), the Direction Générale des Recettes Administratives (DGRAD), the Office Congolais de Contrôle (OCC), the Office de la Gestion de Fret Multimodal (OGEFREM), and the Office National des Produits Agricoles (ONAPAC), formerly known as the Office National du Café (ONC).

In addition to high formal rates, operators faced countless checkpoints requiring multiple forms of overlapping administration and roadblocks imposed by the military along key export routes – reported to cost trucking companies over \$1.5 million in fees each year. At the time that these figures were captured, exporters and transport firms engaged in the shipment of coffee from North and South Kivu reported that, in addition to operating and licensing costs, and statutorily regulated taxes and fees, they faced multiple roadblocks staffed by officials requiring payment in order to assure timely exports. Administrative procedures imposed by regulatory authorities and government officials required as many as 57 signatures and 7 stamps. The same group reported that exports took as many as 15 working days for most Eastern borders.

Table 2 provides a snapshot of findings from ÉLAN RDC's 2014 report detailing taxation along the coffee value chain at various points.

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<sup>6</sup> African Fine Coffees Association (AFCA) DRC Chapter

<sup>7</sup> African Fine Coffees Association (AFCA) DRC Chapter, Association des Exportateurs du Cacao Café de la RD Congo (ASSECCAF), Initiative des Femmes Congolaises dans le Café & Cacao (IFCCA), Comité Professionnel Café & Cacao/ Fédération des Entreprises du Congo (FEC)

<sup>8</sup> Buyer Logic/Reasoning: (1) Lack of preparation and consistent quality from shipment to shipment: This is attributed to poor processing/dry milling facilities; (2) Late deliveries: This is attributed to the lack of containers and DRC's capacity to get trucks on the road, and when they are, on good roads at that. In order for this to work, logistics companies need to get trucks out, load coffee and then get it all to the port on time in order to get on the vessel and meet the narrow window that remains after slowdowns—of which there are too many.

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**Table 2. Fee Percentages of FOB Value for Coffee Exports (2014)**

Fees	South Kivu	North Kivu
<b>Ad Valorem Charges (% of Mercurial Value)</b>		
Office National des Produits Agricoles (ONAPAC) Arabica/Robusta	3.5%/4.5%	3.5%/4.5%
Office Congolais de Contrôle (OCC)	1%	1% (Goma 1.2%)
Export Customs Duty (DGDA)	1%	1%
Electronic Administration/Information Fees (DGRAD)		
a. African Union Financial Services (AUFS)	-	0.25%
b. Redevance Rémunératoire Informatique	0.50%	0.25%
OGEFREM Commission (+VAT)	0.58%	0.58%
Coffee Evacuation Tax (Provincial Min. of Agriculture)	-	1%*
<b>Fixed Charges</b>		
Coffee Evacuation Tax (Provincial Min. of Agriculture)	\$250/lot**	-
Sanitary and Phytosanitary Fee	\$60/lot	\$88/lot
Plant Health and Certificate of Origin (COA) Verification	\$100/lot	\$0.01/kg*

\* Exporters report with some inconsistency

\*\* In South Kivu, this charge is reported as a lump sum fee of \$250/lot

Source: Field interviews

In 2014, when combined, formal and informal taxes levied typically exceeded 14%<sup>10</sup>. Together, they were estimated to cost an additional \$822 per container—a rate that not only was disputed due to the disparity between the quality of services provided and their associated costs, but also considerably hampered DRC's position as a competitive player within the global marketplace.

**Table 3. Regulatory bodies and taxes for the coffee and cocoa sector**

Regulatory Body	Services provided	% Tax for Service (2014)
Direction Générale des Recettes Administratives (DGRAD)	Oversees and bestows export authorizations, phytosanitary inspections and quarantine.	0.50%
Direction Générale des Douanes et Accises (DGDA)	Manages and monitors imports and exports; collects customs duties and port taxes; provides authorizations, seals and verifications.	1%

<sup>9</sup> International Peace Information Service (IPIS): Roadblock Rebels: IPIS Maps Important Mechanism of Conflict Funding in Central Africa (<http://ipisresearch.be/2017/12/roadblock-rebels-ipis-maps-important-mechanism-conflict-funding-central-africa/>)

<sup>10</sup> ÉLAN RDC Impact of Taxation on DR Congo Coffee Exports (February 2014)

Regulatory Body	Services provided	% Tax for Service (2014)
Office Congolais de Contrôle (OCC)	Controls quality, quantity, and inspection sampling; provide inspection teams and transport; document and capture delivery and CVE premiums; and manage the measurement and production of trade statistics.	1%
Office National des Produits Agricoles (ONAPAC) – ex-Office National du Café (ONC)	Provides extension staff and services for farmers; controls quality, handling, processing and treatment of crops under their charge; oversees collaboration of state services; and ensure conformity to International Coffee Organization standards and processes. Exacts commercial and administrative premiums for use of labs, inspectors and the application of verification documentation.	Cocoa: 3% Arabica: 3.5% Robusta: 4.5%
Office de la Gestion de Fret Multimodal (OGEFREM)	Provides access to national freight networks and movement of goods; negotiates the application and control of transport fees at borders; traces movement of goods; and provides and maintains infrastructure, terminals and handling agents.	0.58%

## Cross-border and Regional Smuggling

Vast amounts of Congolese cocoa and coffee are smuggled into neighbouring countries each season. Porous borders and inadequate enforcement enable DRC's crops to disappear from the books, while high taxes and pricing limited the attractiveness of the local market. This also leaves neighbours to reconcile cocoa and coffee export volumes that exceed local production figures. In primary production zones throughout DRC's eastern provinces of North and South Kivu and Ituri, it is estimated that nearly 70% of the Congolese coffee crop is smuggled into Rwanda and Uganda.<sup>11</sup> In western production zones throughout Kongo Central and Equateur, where investments and regenerative efforts have nurtured trees back to health and brought producers back to cocoa, surveys conducted by the Provincial Ministry of Agriculture estimate that nearly 50% of what is produced is smuggled out of the DRC through the Republic of Congo, eventually making its way to Cameroon or Côte d'Ivoire.

Beyond international boundary lines, the internal movement of crops further challenges the industry. Exporters, bundlers and producers add value by positioning their lots as closely as possible to locations with the most competitive price offerings. These typically include coffee washing stations, box cocoa fermentation units or centralised collection points. This distorts the market, crediting one province over another, and blurring production volume figures as well as the understanding of distinct characteristics and profiles of crops. For example, some estimates suggest that nearly 80% of Ituri's cocoa and coffee exports pass through North Kivu.<sup>12</sup>

## Limited and Inaccurate Market Information

Poor and inaccurate industry data has distorted the market and limited potential. Data reported by the government to global industry bodies, including the International Coffee Organization (ICO) and International Cocoa Organization (ICCO), has long fallen short of any standard of accuracy. What is shared is also often slow to emerge. The lack of reliable production and export data coupled with inconsistent reporting has confused markets and buyers for years. Those that entered were forced to invest in the arduous process of mining information they needed in order to formulate and execute

<sup>11</sup> African Fine Coffees Review Magazine, January-March 2016, Volume 5 Issue 2

<sup>12</sup> Abdallah Pene Mbaka, June 2018 address to FEC Forum Expo Coffee-Cocoa delegates

sourcing strategies. Often, though, the lack of information and the costly process of data collection was enough to dissuade buyers completely.

### **Poor Market Perceptions of Congolese Coffee and Cocoa**

Commercial grade Congolese coffees have historically been traded at a Free on Board (FOB) discount of USD 0.12 to 0.70—the result of inconsistent preparation and quality from one shipment to the next, inadequate treatment and processing, and additional costs associated with what is required to receive and accept a lot from Congo.

“We have seen the beauty of diversity in an industry when each organization remains focused on its role yet brings its contributions to the table.”

Kambale Kisumba Kamungele,  
President, Association des Exportateurs  
du Cacao Café de la RD Congo

### **Limited Facilities to Ensure Quality and Volume**

Congo’s coffee and cocoa industry lacked the processes, systems, services, models and tools that support efficiency, quality, transparency and traceability – important industry standards common to other major producing countries.

Despite mandates and missions among DRC’s abundance of regulatory bodies, for years, the private sector has taken the lead in supporting producers and investing in value addition on the production and treatment levels driving the transformation of DRC’s cocoa and coffee sectors.

### **Emergence of Industry Collaboration**

In spite of increased buyer interest and improvements in volume and quality, exporters continued to face major obstacles preventing the Congolese coffee and cocoa sectors from realising their potential. Mindful of progress driven by investments and efforts on behalf of DRC’s network of exporters, and seeking to leverage the strength of the market, exporters began to explore more systematically how they could organize and formalize efforts to promote a more favourable regulatory environment, sensible tax structure, and pro-growth business ecosystem that would foster competition and position DRC better within the regional and international market place.

ÉLAN RDC commissioned research to outline:

- 1) adverse effects of formal and informal taxation, including roadblocks;
- 2) return on investment associated with certification in DRC; and
- 3) perceptions of the Congolese coffee sector held by international traders and roasters.

This information was shared with industry players and helped to direct action.

Building on findings from research (in large part led by ÉLAN RDC) and the industry-wide call to action, cocoa and coffee stakeholders banded together, organizing working sessions on ways to strengthen their position and collective influence, and jointly address constraints faced by all, while still preserving space for exporters to operate independently in order to maintain their respective points of difference.

Given that most coffee and cocoa was exported from North Kivu, the primary focus for many actors was on groups representing the interests of exporters operating in zones throughout the Kivus—the same group that accounted for more than 80% of exports and whose voice would be one that regulators could not ignore.

The Bureau des Exportateurs Butembo Beni (BEBB) was initially formed in 2000 as a committee of Butembo-based exporters, expanding to include other major zones in 2005. After operating at provincial level for nearly 10 years, in 2015 BEBB became the [Association des Exportateurs du Cacao Café de la RD Congo \(ASSECCAF\)](#), with the aim of promoting positive change within the industry through negotiation rather than confrontation.

At the same time, other groups began to emerge, all representing exporter interests on a provincial level, but lacking the capacity to elevate the platform to the national level. Among those formed soon after ASSECCAF was the Goma-based Association des Exportateurs des Café de Goma (ASECAG). In addition, soon after the industry's successful lobbying effort which achieved market-opening and competition-sparking tax decreases, the previously inactive Comité Professionnel Café & Cacao, a unit of the Fédération des Entreprises du Congo (FEC) re-emerged, energized and keen to play a central role in representing member interests nationally. All of a sudden, the DRC went from a situation of no effective national industry associations to having two strong representatives, both capable of utilising their market influence and positive control of value chains to lobby for reforms.

## **DRC Cocoa and Coffee Industry Associations**

Four industry associations have emerged in the last few years as critical change agents for a more collaborative, inclusive and competitive Congolese coffee and cocoa industry. ÉLAN RDC has supported and collaborated with them all, helping to professionalize and organize industry groups. It has also supported advocacy and marketing efforts that resulted in more favourable regulatory and operating environments as well as stronger actual and perceived cocoa and coffee quality and prices.

### **ASSECCAF**

The [Association des Exportateurs du Cacao Café de la RD Congo \(ASSECCAF\)](#) was founded as the Bureau of Exporters of Butembo & Beni (BEBB), and formalized in 2015 following calls for a DRC-wide industry platform.

It operates with a mandate to defend the interests of specialty agricultural crop exporters (i.e. cocoa, coffee, papain, quinquina, rauwolfia, vanilla, etc.) and other market actors (i.e. cooperatives, industry foundations, financial institutions, transport and logistics operators, service providers, etc.). The group also promotes an improved business and regulatory environment with the goal of driving national, regional and international competitiveness.



**Figure 1. ASSECCAF: Evolution of the Industry Association**



*Point of Contact: President, Kambale Kisumba Kamungele*

Having proved its ability to build consensus and to guide stakeholder advocacy efforts leading to tax reform, ASSECCAF has made significant headway as an industry advocate for a more favourable business operating environment and promotion of the DRC as a reliable origin for buyers through presentations, participation and representation at provincial, national and international events.

As a testament to its value to the industry and its members, ASSECCAF has grown to 23 private sector members and 13 organizational partners – up from its 12 founding members.

### **Comité Professionnel Café & Cacao/Fédération des Entreprises du Congo (FEC)**

A member-led association representing private sector actors throughout DRC’s cocoa and coffee sectors, FEC is an industry umbrella association and authority focused on improving collaboration among associations, regulators and actors at each stage along the value chain, and promoting cocoa and coffee to and in export markets to ensure regional and international competitiveness.

Key Contributions to Date: The committee was instrumental in stakeholder organization, umbrella organization advocacy for reform, and intermediary representative for exporters to political leaders and regulatory bodies. In 2018, the first-ever Forum Expo du Café-Cacao was held by FEC in Kinshasa, with support from ÉLAN RDC to bring national and international stakeholders together.

*Point of Contact (National): President, Emmanuel Rwakagara Nzungize*

### **Femmes Congolaises dans le Café & Cacao (IFCCA)**

Formally established in 2017, with its members drawn from women throughout the public, private and non-profit sectors with interests in cocoa and coffee, IFCCA is the DRC’s only industry-led association of women in cocoa and coffee. The association seeks to empower women with the knowledge and skills required to lead the industry’s effort to bolster production and quality, while strengthening household economies and dynamics, and supporting increasingly integrated and equitable cocoa and coffee value chains. Now 600 strong, in just one year, IFCCA has surged in popularity and promise as it continues to develop its services and strategies to promote women and the important roles they play in cocoa and coffee.

Key Contributions to Date: With ÉLAN RDC support leading to the group's formation, development of strategic priorities, and execution of a wide range of activities, IFCCA successfully shifted the focus of women in coffee and cocoa to include women not just as farmers, but as leaders who have contributed and will continue to contribute to much more than a special interest group. IFCCA is taking the lead in promoting inclusion and integration, reaching more producers, reinforcing best practices, and serving as a key resource for buyers to enter and support growth of Congo's cocoa and coffee sectors. IFCCA has represented the DRC at major international events and recently launched a line of coffee products produced, treated, prepared and packaged exclusively by women.

*Point of Contact: President, Julie Kamungele*

### **African Fine Coffees Association DRC (AFCA DRC)**

Founded in July 2000, the African Fine Coffees Association (AFCA) is a regional non-profit, non-political, member-driven association representing the coffee sectors in [12 member countries](#).

Key Contributions to Date: With technical assistance from ÉLAN RDC and other programmes, AFCA and its members have been instrumental in elevating the DRC's profile, bolstering visibility among AFCA's regional members, facilitating market linkages with the Colruyt Group and Starbucks, and bringing AFCA's Taste of Harvest to the DRC.

*Point of Contact: President, Baudouin Michel*

## **Industry Association Achievements**

Industry associations emerged as powerful bodies, convening stakeholders around a set of priorities that stimulated growth, promoted industry competitiveness, and encouraged more constructive and productive public-private sector relations.

### **Significantly Reduced Formal and Informal Taxes, Incentivizing Formal Trade**

Major tax reforms enacted in 2015 as a result of collective industry action resulted in significant reductions in operational and trade costs, incentivizing an increase in formal trade and greater investment in the DRC. Collective action is credited with the following, including ongoing efforts to improve the business operating environment:

- **Development and Execution of Tax Reform.** DRC cocoa and coffee markets were choked by the multitude of formal and informal taxes and administrative costs. Moreover, confusion between provincial and national regulations, disparity in fees and value for services provided, as well as the large number of regulatory agencies, inhibited efficiency and discouraged investment.

The execution of Decree 029 by the Ministry of Finance in late 2015 marked ASSECCAF's first successful campaign to achieve critical reforms. These included:

- the abolition of multiple taxes paid for services to multiple agencies, saving an estimated \$522 per container exported;
- institution of new caps on taxes levied at the border by DGDA, DGRAD, OCC and OGEFREM on coffee, cocoa and other cash crops to 0.25% of FOB value; and
- establishment of two ministerial subcommittees to examine transaction costs and administrative burdens and introduce measures to improve processes.

While praised for realizing these positive changes, the fees charged by ONC (now ONAPAC), the entity imposing the highest rates, remained static at 4.5% for Robusta, 3.5% for Arabica and 3% for cocoa exports.

Despite the passage of Decree 029, in particular, Article 73, while newly instituted agricultural law decreased export taxes for coffee and cocoa from 14% to 10.5% for services rendered by multiple agencies at the border, exporters and operators remain challenged due to the lack of adherence to each element, ever-changing policies and regulations, and the ongoing practice of exacting multiple informal taxes and fees.

As ONAPAC taxes on Robusta, Arabica, and cocoa are still in force, collaboration among industry associations to reduce ONAPAC rates to 2%, as well as coordinated responses to new legislation that could nullify progress to date is an on-going effort.

- **Development and Launch of the Fraud and Alert System.** In order to combat fraud by formal and informal actors and build in accountability measures, ASSECCAF developed the Fraud and Alert System. The system was initially designed as a tool to pinpoint trouble spots and to highlight instances where government regulators unlawfully inhibit the flow of cocoa and coffee exports. However, ASSECCAF also aimed to use the tool to improve public-private cooperation in combating smuggling and informal taxation. ASSECCAF continues to maintain the system – helping to combat illicit flows, bring greater transparency and protect exporters.
- **Preserving Industry Gains:** In 2018, industry mobilized support and coordinated efforts to counter a government proposal that would have reassigned regulatory controls for several key specialty crops. Ultimately, the Ministry of Agriculture and Prime Minister struck down an attempted power grab by the OCC as it sought to assume control over the DRC’s coffee and other crops. The result: ONAPAC maintains control of key crops such as coffee, tea, vanilla and others—preserving ground gained on tax reductions and improved public-private relations.<sup>13</sup>

## **Improving Market Information & Buyer Perceptions of Congolese Coffee & Cocoa**

Coordinated efforts to improve market perception, resulting in more buyers and better prices for Congolese cocoa and coffee, include the following:

**Collaborative coffee sector marketing** – putting actors on the map and key market data in the hands of buyers to support the buyer decision-making process. Having long been starved of information and shy of insights commonly available throughout other coffee growing markets, in 2017, [Eastern Congo Initiative](#) (ECI) and [ÉLAN RDC](#) teamed with industry leaders, coffee exporters and associations to design, develop and launch the [Congo Coffee Atlas](#).

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<sup>13</sup> Prime Minister Bruno Tshibala letter No. 114 (February 13, 2018)

The Congo Coffee Atlas is an online business intelligence tool that gives access to key market information and decision-making data for buyers, while reducing the time and cost associated with market entry, and establishing direct trade links with exporters and/or cooperatives. With information on zonal flavour profiles, characteristics, washing station locations, and exporter and producer profiles, the Congo Coffee Atlas puts critical decision-making information in the hands of buyers worldwide, and puts 23 exporters, 43,000 producers, and 94 washing stations on the map, dramatically improving buyer access to information and lowering barriers to market entry.



Figure 2. A snapshot of the Coffee Atlas

**Tip the Farmer.** ÉLAN RDC’s specialty crops team worked with leading roasters Bean There Coffee Co. and Motherland Coffee Co, traders Olam Specialty Coffee and exporters Virunga Coffee Co. to create Tip the Farmer. This initiative brings partnerships framed around greater traceability to life, and aligns well with the increased availability and flow of information throughout the value chain. It fosters greater trust through transparency and allows consumers to, quite literally, tip the producer who grew the coffee they love.

**Streamlining Entry and Origin Visits.** In an effort to simplify buyer travel to and from the DRC, industry associations and the Government collaborated to ease entry, exit and movement by securing government endorsements designed to streamline visa issuance. This enables buyers to meet more easily with prospective suppliers and exporters and to access government officials.

**National and International Events.** Participation at international events and holding of national events have served to highlight purchasing opportunities. These include:

1. **Saveur du Kivu (SduK).** Held each May/June, and soon to celebrate its fifth year, the country’s premier specialty coffee cupping event has attracted new and return buyers of all sizes, including: Allegro Coffee Company, Atlas Coffee Importers, Counter Culture Coffee, Higher Grounds Trading Co., Kivu Coffee, Olam Specialty Coffee, Peet’s Coffee, Starbucks, Strauss Coffee, Tropicore, Twin Trading and others.

The 4<sup>th</sup> Annual Saveur du Kivu was held in Bukavu, South Kivu from 11-13 June 2018. It was jointly organized by the DRC’s National Ministry of Agriculture, the Provincial Government of South Kivu, international buyers, ASSECCAF and IFCCA, alongside a consortium of international organizations and local public and private sector actors. Participants convened to celebrate progress and outline a collective vision for a more productive, consistent, inclusive and competitive Congolese coffee sector. The next event is scheduled for 10-12 June 2019.

The 2018 cupping competition saw an increase in qualified coffee samples, up from 30 in 2016 to over 70 in 2018, indicating that exporters’ efforts to improve producer and cooperative understanding and adherence to industry protocols is heading in the right direction. The cupping competition was led by Cup of Excellence’s Paul Songer, who was joined by key leaders from World Coffee Research, African Coffee Roasters, La Bohème Café,

Peet's Coffee, Counter Culture, Higher Grounds Trading Co., and others. In addition, key leaders from Let Sequoia, Twin and Starbucks were on hand to preview coffees from the top ten finalists for themselves.

Concurrent with the coffee tasting ("cupping") competition, both days featured supply chain workshops, covering the Congo Coffee Atlas, supply chain traceability systems currently being rolled out with ÉLAN RDC partners, and insights from IFCCA and ASSECCAF.

New for 2018, coffee producers, cooperatives and local businesses working in or otherwise linked to the specialty crops sector participated in the first-ever Congolese Coffee and Culture Exposition.

**2. African Fine Coffees Association (AFCA) Annual Conference.** In 2018, the annual event brought together nearly 1,000 industry experts, coffee buyers, service providers and government officials from around the world, representing a prime opportunity for ASSECCAF, IFCCA and the AFCA DRC Chapter to:

- 1) launch the interactive Congo Coffee Atlas display at the joint IFCCA, ASSECCAF, AFCA DRC booth;
- 2) engage actors from throughout the coffee value chain to contribute to the restoration of the DRC's image as a reliable origin from which to source; and
- 3) connect exporters and international buyers who not only made contacts, but reported new linkages and sourcing agreements.

During the sessions, ASSECCAF, IFCCA and the AFCA DRC Chapter worked with partners to organize the following:

- 1) The Café Africa RDC (Producers/Exporters/Buyers) Breakfast;
- 2) The AFCA DRC Chapter Members / DRC Stakeholders Meeting;
- 3) IFCCA placement on the agenda for the Gender and Youth Luncheon;
- 4) The first joint Saveur du Kivu Steering Committee Meeting; and
- 5) Agenda placement for the AFCA Sustainability Forum where ASSECCAF was invited to offer closing remarks for the Global Coffee Platform session.

**3. Taste of Harvest DRC 2018.** On the heels of their coordinated and sustained lobbying activities, ASSECCAF and AFCA DRC successfully reached terms with the board of the African Fine Coffee Association (AFCA) to bring its premier specialty coffee cupping competition to the DRC. Taste of Harvest (TOH) DRC was held in Goma from January 10-12, and resulted in DRC's first ever specialty coffee international buyer auction.

Presided over by Head Judge Nestor Nizigiye and a team of three judges, the group cupped 22 qualified samples from throughout North and South Kivu. Once concluded, the presentation of finalists and awards were given to groups who had submitted samples—many of whom were members of either ASSECCAF, IFCCA or both.

This is yet another example of associations taking the lead to further demonstrate their ever-improving prowess as advocacy and marketing experts working on behalf of their members.

- 4. International Coffee Day Exhibitions.** Marking the occasion every 1<sup>st</sup> October, DRC's public and private sectors join industry associations, technical assistance providers, investors and donors to celebrate progress.

Marking the occasion for 2018, led by what was then ONC and IFCCA, and joined by technical assistance providers, stakeholders throughout the value chain convened as a unified front to discuss progress, address challenges, and articulate pathways for increased coordination and collaboration.



IFCCA coffees on display.

- 5. Forum Expo du Café-Cacao.** First held in June 2018 and scheduled again for May/June 2019, the Fédération des Entreprises du Congo (FEC) Coffee and Cocoa Forum Expo brings provincial, national and international leaders from the public and private sectors together to discuss policy, progress and prospects for the DRC's cocoa and coffee markets.
- 6. Other Events.** Others frequented by Congolese coffee and cocoa industry leadership include Specialty Coffee Association (SCA) events in North America and Europe, as well as the World Cocoa Foundation (WCF) Annual Partnership Meetings.

### **Industry Investment to improve quality and yield**

Increased coordination and competition within the industry has resulted in more resources being invested in assets that support producers and bolster the quality and quantity of their produce.

- **Production Standards and Value Addition Takes Root:** Driving the proliferation and adoption of value-adding treatment and processing equipment, between 2011 and 2018, the number of coffee washing stations increased from just seven to over 100, and the number of box fermentation units constructed by exporters for use by producers increased to 22 between 2014 and 2018.
- **Harnessing Technology** to realize industry-wide collaboration and adoption of best production practices — Viamo 3-2-1. Building on industry-wide efforts to increase access to information, in partnership with ÉLAN RDC and Viamo's [3-2-1 service](#) (1-5-5 in DRC), industry associations, exporters and agronomists developed pre-recorded messages and decision trees tailored to best practices in cocoa and coffee production and post-harvest treatment and handling.

In an effort to bolster public and private sector extension services, industry teamed with Vodacom to offer free on-demand advice via Viamo to a national network of over 12 million subscribers.

- **Ensuring Alignment with Global Standards and Developing the Good Agricultural Practices for Cocoa (GAP) Framework for Congo:** Led by ECI, with support from public, private and technical assistance experts, industry teamed to benchmark global standards,



assess commonly employed practices throughout cocoa growing zones in DRC, develop a GAP framework for cocoa producers and stakeholders.<sup>14</sup>

## Conclusion

In recent years, cocoa and coffee industry associations have emerged, become more professional, and increased in prominence in the DRC. As they have done so, so too has the Congolese cocoa and coffee industry. Though development is a continued pathway – and the DRC cocoa and coffee industry requires ongoing support to advance – industry associations are now well positioned to continue to lead the charge in the DRC. Reform, innovation and investment led by industry associations and their members, with support from ÉLAN RDC, signal that not only is the DRC open for business, but it is an increasingly attractive place to do so.

“Now more than ever before, more buyers around the world know about Congo, its quality, and reliability as a coffee origin.”

Andreas “Andy” Nicolaides,  
Coffeelac

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<sup>14</sup> Sample of Cocoa GAP Experts:

- (1) Public sector:  
Pêche et Elevage (AGRIPEL), Office National du Café (Beni and Bukavu);
- (2) Exporters and Cooperatives:  
ESCO-Kivu, Société de Commerce et d'Agriculture du Kivu (SCAK),  
Compagnie des Produits Agricoles des Kivus (COPAK), Solidarité Coopérative Agricole du Congo (SOCOAC);
- (3) Cocoa Processors and Buyers:  
Theo Chocolate, Mars Inc., LUSH Cosmetics

## ÉLAN RDC

**ÉLAN RDC** is a five-year, £50m market development programme funded by the UK Government (UKAid) and implemented by Adam Smith International (ASI). It aims to raise the incomes of 1.7 million low income people in the Democratic Republic of the Congo (DRC) by tackling constraints that are holding poor people back from entering, or benefiting from, markets. We apply a systems approach to improving the way the private sector works to achieve far-reaching, sustainable change.

### The Cocoa and Coffee Sector Strategy

In partnership with local, national, and international public and private sector actors, ÉLAN RDC's Specialty Crops sector works with stakeholders throughout DRC's cocoa and coffee sectors to improve quantity, quality, consistency and competitiveness. ÉLAN RDC has also collaborated with and supported industry associations to professionalize and to advocate for reform.

At each level, from smallholder farmers to exporters, activities seek to support actors and realize lasting market systems changes through the following:

- **Production Level Improvements:** promotion of increased smallholder farmer access to training in Good Agricultural Practices (GAP), the introduction of certification, and adoption and adherence to common standards in order to demonstrate DRC's short- and long-term ability to achieve and maintain cocoa and coffee quality and volume standards.
- **Treatment and Processing:** cocoa and coffee partnerships tie these two critical stages together. On the treatment and processing level, ÉLAN RDC supports the development, integration and proliferation of value-adding equipment (e.g. box fermentation units, drying tables, washing stations, pulpers, etc.). Interventions on this level aim to bring DRC's cocoa and coffee value chains in line with the tools, equipment, processes and operational models that are common throughout other major growing origins.
- **Unlocking Finance:** Facilitating linkages and market entry or expansion for traditional financial institutions and social impact lenders as a means to access tools tailored to cooperative and exporter needs to support growth and mitigate risk. Activities and partnerships seek to diversify the number, type and scope of investments and investors, encourage increased engagement with existing and prospecting of potential clients, and elevate the number of creditworthy actors throughout the cocoa and coffee value chains.
- **Advocating for an Improved Regulatory Environment:** supporting advocacy resulting in a favourable export tax structure, convening and supporting actors, and fostering greater levels of private sector and public-private collaboration to promote a pro-growth business ecosystem that effectively manages the cocoa and coffee sectors nationally.
- **Marketing:** Seeking to bring industry together to market more effectively and promote the DRC brand, boost visibility for actors on all levels and at each point throughout the cocoa and coffee value chains, instil confidence in the market as a reliable origin from which to source, and encourage trust through transparency by increasing the flow and quality of information and communication locally, nationally and internationally.



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