



Timor-Leste: Coffee and Agroforestry Livelihood Improvement

Project Name	Coffee and Agroforestry Livelihood Improvement	
Project Number	51396-001	
Country	Timor-Leste	
Project Status	Proposed	
Project Type / Modality of Assistance	Grant	
Source of Funding / Amount	Grant: Coffee and Agroforestry Livelihood Improvement	
	Japan Fund for Poverty Reduction	US\$ 3.00 million
Strategic Agendas	Inclusive economic growth	
Drivers of Change	Governance and capacity development Knowledge solutions Partnerships	
Sector / Subsector	Agriculture, natural resources and rural development - Agricultural production	
Gender Equity and Mainstreaming	Effective gender mainstreaming	
Description	<p>The Coffee and Agroforestry Livelihood Improvement Project is an innovative project to improve the livelihoods of Timor-Leste's coffee farmers. The project will underpin implementation of Timor-Leste's new Coffee Sector Development Plan and pilot a new model for delivering training to 2,000 coffee farming households in the Aileu, Ainaro, Bobonaro, Ermera, Liquica, and Manufahi municipalities. These households will receive training on good agricultural practices for production of coffee and related crops and assistance with access to finance. The project will also strengthen industry management and support initiatives to improve coffee quality and linkages with key markets. The project will support Timor-Leste's post COVID-19 economic recovery by helping to improve rural livelihoods. The project is aligned with the ADB Strategy 2030 operational priorities of addressing remaining poverty and reducing inequalities, and promoting rural development and food security.</p>	
Project Rationale and Linkage to Country/Regional Strategy	<p>Development of the coffee sector is a clear national priority. The project was included in ADB's country operations and business plan for Timor-Leste for 2020-2022 and responds to clear demand from the Government of Timor-Leste and industry stakeholders. It is designed to leverage some of the activities that are being implemented through a related non-sovereign investment and technical assistance project.⁴ It also builds on previous initiatives and incorporates lessons learned from completed and ongoing projects in the coffee sector including the importance of leveraging the private sector, establishing local-level demonstration plots, and using gender sensitive training approaches.⁵ Grant financing is proposed because the project will trial several innovative approaches to addressing long-standing sector challenges. The project will contribute to Timor-Leste's post COVID-19 economic recovery by supporting rural livelihood improvement, private sector development, and the growth of non-oil exports. Measures to contain COVID-19 had a significant negative impact on Timor-Leste's economy during the first half of 2020. The government is implementing a COVID-19 support program that includes cash transfers and wage subsidies. Investments to stimulate productive activity in rural areas will be an important part of the transition from containment to economic recovery.</p>	
Impact	<p>Coffee production doubles by 2030. The value of coffee exports increases by 270% by 2030.</p>	
Outcome	Improved productivity and price realization in the coffee sector	
Outputs	<p>More productive coffee and agroforestry production systems established Coffee quality and market linkages improved Sector management and coordination improved</p>	
Geographical Location	Aileu, Ainaro, Bobonaro, Ermera, Liquica, Manufahi	
Safeguard Categories		
Environment		C
Involuntary Resettlement		C
Indigenous Peoples		C
Summary of Environmental and Social Aspects		
Environmental Aspects		
Involuntary Resettlement		
Indigenous Peoples		
Stakeholder Communication, Participation, and Consultation		
During Project Design		
During Project Implementation		
Business Opportunities		

Consulting Services

QCBS, 56 56 person-months, \$1.83 million
CQS, 2 contracts, \$0.39 million

Responsible ADB Officer	Stefania Dina
Responsible ADB Department	Southeast Asia Department
Responsible ADB Division	Timor-Leste Resident Mission
Executing Agencies	Ministry of Agriculture and Fisheries Comoro, Dili, Timor-Leste

Timetable

Concept Clearance	13 Apr 2019
Fact Finding	23 Apr 2019 to 30 Apr 2019
MRM	20 Aug 2019
Approval	-
Last Review Mission	-
Last PDS Update	24 Jun 2020

Project Page	https://www.adb.org/projects/51396-001/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=51396-001
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