



EUROPEAN
COOPERATIVE
FOR RURAL
DEVELOPMENT
EUCORD

ANNUAL REPORT – 2014 GLOBAL PROJECTS
& FINANCIAL STATEMENT



Foreword



Dear Readers,

In 2014, EUCORD faced multiple challenges.

The Ebola outbreak in West Africa brought a setback to the project entitled “Community Revenue Enhancement through Agricultural Technology Extension” (CREATE) in Sierra Leone. This country was and still is deeply affected by the epidemic. The public health emergency declared by the Sierra Leone Government and the resulting economic decline impacted negatively on the quantity of sorghum used by Sierra Leone Brewery Ltd (SLBL) in its production process. This led to a significant decline in the consumption of sorghum derived products including beer. Planting of sorghum was completed during the farming season, but the spread of Ebola restricted the access of project agronomists to the farms to support farmers. However, even if Sierra Leone is not yet declared Ebola free, the evolution of the disease spread is quite reassuring and should be stabilized by the end of 2015.

In Kenya, the Government removed the tax-free status of EABL’s Senator brand, the only beer brand made of local (white) sorghum. As a result the sales of Senator plummeted and the demand of white sorghum declined as well, which had a direct impact on the project results in Kenya. In Uganda progress was more than satisfactory and exceeded the expected results. EUCORD proposed innovative solutions to mitigate the crisis in Kenya. One option pursued was to develop a sorghum supply chain to UNGA, a leading flour miller and animal feed producer. Another option was to organize a farmer group advocacy effort which resulted in the Government revoking its tax decision and exonerate taxes on locally produced beverages. Fortunately EABL also revised its pricing and marketing strategy for Senator beer and will start purchasing sorghum again in July 2015.

In 2014, several projects ended and other ones have been launched. The PIRK project and the Schokland project in **Congo** were closed by the end of 2014. A phase II to PIRK I has been submitted to USAID and news are expected in 2015. The Schokland project has been extended in Burundi. **In Mali**, a second phase to the DASH project started in June 2014 to enable Malian smallholder farmers to move towards a more market-oriented agriculture by increasing the productivity of maize and sorghum through the dissemination of promising hybrids. The first steps towards long term collaboration **with Malteurop Group** have been initiated and a nearly EUR 500,000 grant was awarded to EUCORD in October 2014 to start a malt barley supply chain to the beverage industry in Ethiopia.

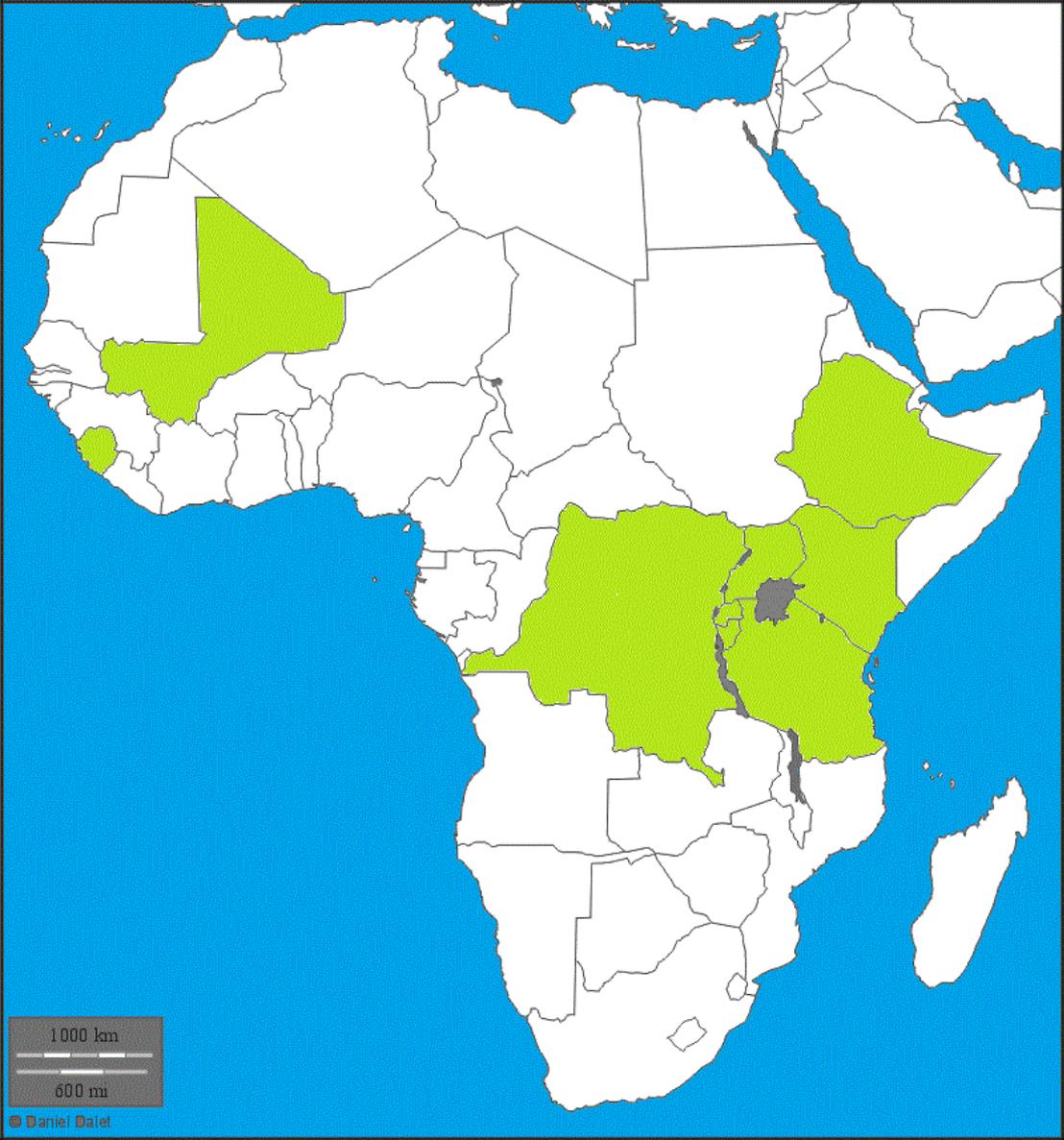
Belgium was always a prime target for EUCORD’s fundraising efforts. Unfortunately EUCORD has not been successful so far in tapping this resource. There are several reasons for this with the two prime reasons being 1) the lack of registration of EUCORD at the Belgian level and 2) lack of familiarity with the PPP concept in the Belgian development aid. In order to access Belgian Government NGO funding, EUCORD is in the process of completing its registration as a not-for-profit organization with the Ministry of Justice and more importantly with the Ministry of Foreign Affairs. It is hoped that by 2016-2017 EUCORD will initiate its first Belgian NGO funded project.

2014 is also a year for changes inside the Board. Jonathan Taylor and Hans Megens left the Supervisory Board. Guenter Dressruesse was welcomed as a new Board member in 2014.

Enjoy your reading,

Guy Sneyers, Executive Director

Presence in Africa in 2014



East Africa Sorghum Value Chain Development

A qualitative and quantitative increase in sorghum production and the simultaneous provision of a sustainable market will improve the level of food security and living standards of sorghum farmers in Eastern Africa.



Countries:

Kenya
Tanzania
Uganda

Beneficiaries:

25,000 farm families or
150,000 persons

Project length:

July 2011-Dec 2015

Budget:

4,044,667 USD

Funders:

East African Breweries Ltd.
Diageo
Common Fund for
Commodities

GOAL

The objective of the project is to implement a public-private-partnership project to develop a stable and high quality sorghum supply chain that will increase incomes of sorghum farmers and enable national beverage industries to substitute imported grains by locally produced sorghum. The targets are to produce 45,000 MT of sorghum, and reach out to 25,000 households earning cash income.

PROJECT DESCRIPTION

This project will develop a stable and high quality sorghum supply chain in Tanzania, Kenya, and Uganda that will allow the national beverage industry to substitute imported grains by locally produced sorghum by:

- 🌱 Improving the productivity of the sorghum varieties and cultivation practices;
- 🌱 Organizing and strengthening producers groups by technical training and facilitating access to inputs and credit;
- 🌱 Introducing out-grower schemes by facilitating collaboration between medium and large commercial farmers and surrounding groups of smallholder farmers; and
- 🌱 Strengthen private sector input providers and intermediary long-distance traders through the facilitation of contractual arrangements, introduction of warehouse receipt credit, other rural credit provisions and business development training.

EXPECTED OUTCOMES

By the end of the project, sorghum farmers will be able to improve productivity and incomes through greater access to improved inputs, technologies, and marketing options via commercial agribusiness. **25,000 farm families** (or 150,000 people according to an average family size of six) will benefit from the program. Agricultural yield for sorghum will increase to 1750 kg/ha, in an area of over 15,000 hectares. This will inevitably yield 10 million USD in cash income for farmers within the network. These targets are tenfold the target reached in West Africa. It is expected that the project will become fully sustainable within four years. Economic incentives for all stakeholders should then lead to continuation of the established value chain structures and their autonomous management by the beneficiaries.

ACTIVITIES

- 🌱 Introduce better production technologies;
- 🌱 Facilitate secure access to markets (with local beverage companies);
- 🌱 Organize farmers in producers/out-growers groups in order to reduce transaction costs for both outputs (sorghum) and inputs (seeds, fertilizers);

RESULTS IN 2014

When comparing the results of the third year with that of the first two years, the increase in volumes is enormous: i.e. **more than doubling the total of volumes in Uganda and significant increases of volumes in Kenya**. The project expects that at the end of the third project year (even when excluding Tanzania) cash income to smallholder farmers in Kenya and Uganda will reach 90% of the end-of-project (EOP) target of USD 10 million. **Already more than 56,000 farming households have benefitted from the project**. Unfortunately a major crisis occurred in Kenya last year. The Government indeed removed the tax-free status of EABL's Senator brand, the only beer brand made of local (white) sorghum. As a result the sales of Senator plummeted and the demand of white sorghum declined as well. Currently intermediate suppliers to the brewery/malting concern EABL/EAML are left with a large stock of unsold sorghum while the storage capacity of EABL/EAML is close to 90%. There is also unsold sorghum in farmers' homes. EUCORD is discussing appropriate mitigation strategies for the farmers. One option is to develop a sorghum supply chain to UNGA, a leading flour miller and animal feed producer. Fortunately EABL has revised its pricing and marketing strategy for Senator beer and will start purchasing sorghum again in July 2015.

Sorghum Value Chain Development Project in Kenya



Sorghum plays an important role as a food security crop in semi-arid lands of Eastern Kenya as sorghum is both a drought and heat tolerant plant, well adapted to growth in hot, arid or semi-arid areas lands.

Country:

Kenya (5 counties in semi-arid areas: Embu, Kitui, Makueni, Meru, Tharaka, Nithi)

Number of beneficiaries:

18,000 households

Project length:

2012-2015

Total budget:

806,321 EUR

Funders:

EuropeAid
Eucord

GOAL

The overall goal of this three years project is to achieve sustainable rural development and agricultural growth in semi-arid counties in East Kenya.

PROJECT DESCRIPTION

The project has three main objectives:

- ☺ To improve the level of food security and living standards of sorghum farmers in Kenya by a quantitative and qualitative increase in sorghum production;
- ☺ Increase agricultural production and income of farmers to reduce food dependency in semi-arid areas
- ☺ Support the structuring of producer organizations and their integration into the sorghum value chain and strengthen marketing capacity of producers through the establishment of a public-private partnership.

ACTIVITIES

- ☺ Rapid appraisal of sorghum cultivation practices
- ☺ Identification and introduction of new sorghum varieties and technologies including soil and water conservation practices
- ☺ Training of farmers on best sorghum production and postharvest handling practices
- ☺ Economic analyses of alternative cultivation practices
- ☺ Identification and mobilization of groups and nucleus farmers
- ☺ Strengthening the technical and organizational capacity of farmer groups and nucleus farmers
- ☺ Identification, formation and training of village level credit groups
- ☺ Improvement of access to seed, fertilizers and other inputs
- ☺ Support of communities for contingency plans preparation
- ☺ Development and testing of contract templates for the relationships intermediary agent and nucleus farmer, nucleus farmers and out-growers, nucleus farmers and input providers

- 🌱 Assisting nucleus farmers with the development of business plans through workshops and individual counseling
- 🌱 Facilitating access to short-term credit for input delivery and long-term credit for equipment
- 🌱 Brokering contract discussion between agro-processors, agro-dealers and/or whole sale traders, intermediary purchasing agents and producers associations in order to identify long-term contract mechanisms between actors in the sorghum supply chain
- 🌱 Assisting agro-dealers and intermediary buying agents in developing business plan and facilitate access to credit
- 🌱 Introduction warehouse receipt procedures

OUTCOMES

- 🌱 Improvement of the productivity of the sorghum sector by conducting trainings on new sorghum varieties, aspects of quality and quantity and the efficient use of conducive technology and inputs
- 🌱 Organization of sorghum producer organizations and the strengthening or organizational development in terms of access to savings and credit facilities and marketing
- 🌱 The Strengthening of market linkages in close collaboration with the local private sector and the producer groups
- 🌱 Market linkages strengthened by the capacity building of local input and service providers, including local partner NGOs along the sorghum value chain
- 🌱 In partnership with Kenyan NGOs, EUCORD, was recognized at the 2015 EMRC Agribusiness Forum with the Project Incubator Award. This award honors organizations supporting innovative projects in African agriculture. Shalem Investments (Kenya) helped 1,200 small scale sorghum producers gain access to markets and create significant gains in income levels and productivity. Over the past 5 years, production has increased to 4,000 metric tons. EUCORD partnered with COMEHA (Community Micro Enterprises for Hope Africa), the NGO branch of Shalem Investments, as part of the EuropeAid funded activities which successfully merged profitability concerns with sustainability and rural development concerns. A similar story from another Kenyan social entrepreneur is provided in the box below.

Beatrice Nkatha is a social entrepreneur running the company “Sorghum Pioneer Agencies” trading in sorghum and other cereal crops. In 2009, EUCORD linked her with input suppliers and financiers, who invested in the value chain by offering her input loans and finances respectively. In return, these curbed her operational capital shortages and helped her increase her commercial relationships with farmers by providing them seed loans. In 2011, she expanded her network with 1,400 new farmers (more than 100% of 2010) and delivered 1450 MT of sorghum grain to EABL. She explained that EUCORD’s support was effective because farmers tripled the area under production. Their yields per unit area were doubled, as post-harvest losses were reduced significantly. As an entrepreneur with an ambition to expand her business and backed by EUCORD, strategy in 2013 Beatrice expanded the activities from Tharaka Nithi to Taita Taveta County, targeting 2,500 farmers. There are plans to expand to other counties as well. EUCORD successfully linked farmer groups with a financier for farming loans. Through the EuropeAid Project, Beatrice now owns two tractors, a disc plough, a chisel plough and a thresher, which she uses to plough land and thresh sorghum for farmers respectively. **She stands out to be one of the most successful social entrepreneurs in the sorghum value chain with up to 7,500 farmers organized in groups and 13 employees in her business.** “Looking from my humble beginning of struggling with cereals trade 5 years ago, I am delighted to be associated with EUCORD for making me a successful entrepreneur and above all helping thousands of my community members through sorghum”, according to Beatrice.

ACCOMPLISHMENTS IN 2014

During the second implementation year, the operations included identification of additional sorghum farmers, group formation and training, GAP trainings, structured marketing trainings, market linkages, development and testing of contracts among value chain players, credit capacity building and linkages, out grower scheme establishment, collaborative activities with government line agencies etc. A joint monitoring and evaluation mission with the EU, the National Drought Management Agency (NDMA) and line government agencies concluded that during the second year considerable progress was made in terms of seed distribution, commercial sales of sorghum, access to credit and marketing channels and coordination of activities with centralized and decentralized Government agencies.

Community Revenue Enhancement through Agricultural Technology Extension (CREATE)

CREATE

In Sierra Leone, since the launch of the project, the social landscape has improved considerably for local sorghum farmers as sorghum cultivation is now considered one of the most lucrative ventures. The same



can be said of maize (Rwanda) and barley in Ethiopia

Countries:

Ethiopia

Rwanda

Sierra Leone

Number of Beneficiaries:

130,000 beneficiaries

Project length:

2013-Dec 2017

Total budget and funders:

Ministry of Foreign affairs (Netherlands):

USD 2,890, 123

Heineken (cash): USD 2,2 millions

Heineken (in kind): USD 1,9 million

GOAL

To reduce poverty through rebuilding agricultural production and increasing food security of barley, maize, and sorghum producers in respectively Ethiopia, Rwanda, and Sierra Leone.

PROJECT DESCRIPTION

EUCORD partnered with Heineken International to assist with the implementation of the CREATE project. EUCORD will be providing organizational capacity support to the local partners including overseeing the annual Memoranda of Understandings (MoU) contracting the commitments and expected obligations of the local and private partners. EUCORD will also partner with local stakeholders to involve women, youth and other marginalized communities in decision making to promote sustainable community development.



ACTIVITIES

Objective 1: Increasing agricultural production capacity of rural households.

🌱 Developing and strengthening producers' groups and/or associations

🌱 Training farmers in improved barley, maize and sorghum cultivation and post-harvest technologies

- 🌱 Leveraging short term credit

Objective 2: *Limiting the dependency on imported commodities in each of the three countries.*

- 🌱 Establishing long-term partnerships between producer groups and/or nucleus farmers, intermediaries, and agro-producers
- 🌱 Developing marketing capacities
- 🌱 Facilitating transport and other logistics

Ethiopia: Since December 2014, the EUCORD project staff has been preoccupied with the post-harvest logistics to develop a traceable and separate supply chain just for Heineken’s operating company (Opco) in Ethiopia. However farmers were very slow to sell – reportedly in hope of better prices as the local Assela malting plant usually increases purchasing prices during the post-harvest season while the purchasing operations continue. The performance of the “Heineken” malt barley varieties (“Traveler” and “Grace”) was very good. Seed multiplication was satisfactory and there are solid indications that the project will satisfy increasing demand for these varieties for the next cultivation seasons.

Rwanda: The CREATE project aims to limit the dependency on imported maize in Rwanda. Heineken’s Opco in Rwanda (Bralirwa) uses maize grits as adjunct at a rate of about 4,000 MT per year. All grits are supplied by a local miller, Minimex, which aside grits also produces maize flour for human/infant consumption and animal feed. Bralirwa and Minimex partnered to establish the BraMin irrigated maize farm in East Rwanda (Kayonza District). In addition to flour production for human consumption and animal feed, the BraMin farm has the capacity to produce 60% of the maize grits Bralirwa needs for its beer production. A strategic priority for Bralirwa is to secure a local supply source for the remaining 40% of maize grits it requires. EUCORD’s role is to develop the capacity of smallholders to produce sufficient maize to meet the quality and quantity requirements of Bralirwa and Minimex. In Rwanda the project supported 20 cooperatives and 2 individual farmers in two Districts to improve maize production practices. A total of 30 maize hybrid demonstrations were established during the first cropping season. Sales of the first crop are currently ongoing and the 2014 sales target of 400 tons has already been met.

Sierra Leone: The outbreak of the Ebola brought a setback to project implementation and also led among other things to the postponement of the mash-filter installation in the Sierra Leone Breweries.Limited which is Heineken’s OPCO. An operational mash filter is important because it will bring about possibilities for an increased supply of sorghum to the brewery. In spite of the challenges in 2014 the brewery received 514 tons of sorghum, 14 tons more than targeted. This will serve the brewery for 14 months starting April. However, the success in 2015 is threatened as the brewery’s sorghum demand in 2014 fell drastically due to the low production and sales caused by the Ebola

Mrs. Lamrana Bundu joined the sorghum growing business through EUCORD’s development the CREATE project in 2010. Prior to that, she had been growing and supplying rice to the government of Sierra Leone through the Ministry of Agriculture, Forestry and Food Security. During her first year of work with EUCORD, the land cultivated to grow sorghum was only two acres because of her focus on rice, but she was gradually able to expand her sorghum production by mobilizing several women’s organizations to provide the sorghum she needed. Mrs Lamrana was among the highest suppliers in her first year. She started her sorghum farming first at Rogbulloh village and its surroundings in the Bureh Kaseh chiefdom in Port Loko district in 2010. Since 2011, she has topped the chart as the highest grower and supplier of high quality sorghum to Sierra Leone Brewery Limited. She has two daughters who are now in high school and preparing to enter university. Her husband had been working for a fishing company at sea but has been out of job for over four years now. However, the proceeds from Mrs. Lamrana’s sorghum farming alone were able to support the family in terms of feeding and paying school fees for the children. In addition to that, she was also able to buy land at Jui, in the east end of Freetown, and construct a new house which is nearing completion. She was also able to buy a mini truck to transport sorghum to the brewery.

outbreak, which has resulted in excess stocks remaining from the 2014 harvest. To provide more time for the project to regularize the post-ebola situation, it was agreed with the Dutch Ministry that Heineken will submit a request for a budget-neutral extension of the contract of two years with respect to the delay of activities in Sierra Leone.

Ethiopia Malt Barley Development Project



This new collaboration with MaltEurop combined with the CREATE Project reinforces the development of malt barley in Ethiopia. EUCORD will triple the field presence of barley agronomists and reach a higher number of barley farmers!

Country:

Ethiopia

Number of beneficiaries:

XXX households

Project length:

October 2014 to December 2015

Total budget:

483 151 EUR

Donor:

MaltEurop Groupe

GOAL

The general purpose of this collaboration with MaltEurop is to substitute malt-barley imports through expansion of local malt barley production thereby improving the cash income of thousands of Ethiopian barley farmers

ACTIVITIES

In late 2014 a parallel project agreement with a well-known French company, the MaltEurop Group (MEG) was negotiated to supplement the ongoing Heineken-Minbuza CREATE activities. The agreement entails EUCORD coordination of the activities of the Ethiopia Malt Barley Development project. MEG specifically earmarked Euros 483,151 worth of funding to EUCORD. MEG is providing this grant to develop a malt barley supply chain for the beverage industry in Ethiopia. The Project meets joint objectives

to increase local sourcing of malt barley thereby contributing to the agricultural development of the country. Similar synergies are also being explored with other agencies in Ethiopia. This grant has been directed for the work conducted on 414 ha for crop production in 2014 and 4964 ha targeting both smallholder farmers and commercial farms for production in 2015.

Under this project EUCORD is in charge of :

- 🌱 Monitor and control the sowing, production, harvesting, pricing, delivery, quality testing and invoicing of the barley.
- 🌱 Facilitate grain collection at cooperation/union level
- 🌱 Work with farmers to multiply seeds, introduce and test new barley varieties
- 🌱 Train farmers on good agriculture practices, malting barley and malt
- 🌱 Work with primary cooperatives/unions, local and regional government regarding seeds, fertilizers, agronomic know how
- 🌱 Investigate the possibility of acquiring agriculture equipment for growing barley to increase productivity

RESULTS IN 2014

No major results to report yet.

Development of Agriculture through Maize and Sorghum Hybrids

DASH II



■ Intervention area



The good results obtained with DASH I (2010 – 2013) helped to finance a second phase, called DASH II. DASH II, in addition to sorghum hybrids, will also do the large scale diffusion of maize hybrids.

Country:

Mali

Project length:

2014-2017

Number of beneficiaries:

172 households trained since beginning of the project

Total budget:

USD 193,246

Donors:

Association for a Green Revolution in Africa (AGRA)

GOAL

☺ The overall project objective is to enable Malian smallholder farmers to move towards a more market-oriented agriculture by increasing the productivity of maize and sorghum through the dissemination of promising hybrids.

☺ To enhance farmers' access to quality seed of newly developed sorghum and maize hybrids

☺ To create farmer awareness on the new released sorghum and maize hybrids

☺ Strengthen the links between maize and sorghum value chain actors

ACTIVITIES

- ☺ Introduction of maize and sorghum hybrid through tests and demonstrations;
- ☺ On-farm production of certified maize and sorghum hybrid seed;
- ☺ Strengthening the technical and organizational capacities of extension agents, farmers and farmers' organizations;
- ☺ Facilitating the information exchange of key maize and sorghum value chain actors (producers, processors, traders, manufacturers and consumers).

RESULTS IN 2014

During the last semester of 2014 a total of 171 sorghum and maize hybrid demonstrations were carried out to promote the hybrids. Results showed that average yields of both sorghum and maize hybrids were twice as high as the best local, open pollinated varieties. The project also facilitated production of 6.2 tons of hybrid sorghum seed and 7.2 tons of hybrid maize seed. AGRA agreed to provide additional funding (USD 118,000) to upscale activities.

Large scale diffusion of technologies for sorghum and millet system in Mali

In June 2014, EUCORD signed a subcontract with the International Crops Research Institute for the Semi-Arid Tropics (ICRISAT) for a USAID funded project entitled “Africa Rising’s large-scale diffusion of



Country:
Mali

Number of beneficiaries:
3,000 households

Project length:
May 2014-Oct 2015 (phase I)

Total budget:
USD 140,932

Donors:
ICRISAT (USAID)

technologies for sorghum and millet systems” (ARDT/SMS).

GOAL

As part of the Africa RISING’s large-scale diffusion of technologies for sorghum and millet systems, EUCORD co-implements project activities in the Sikasso region. EUCORD contributes towards the overall objectives of the project which are to :

- 🌱 Enhance male and female farmers knowledge of new sorghum and millet production technologies in order to strengthen the related value chains;
- 🌱 Facilitate male and female farmers’ access to sorghum and millet production technologies in order to strengthen the sorghum and millet value chains in the Sikasso region.

Key activities

- 🌱 Build capacity of farmers on the production of millet and sorghum using new varieties/hybrids as well as crop production practices
- 🌱 Support use of small seed packs for distribution of improved varieties and hybrids
- 🌱 Enhance availability and access to inputs, including pesticides and fertilizers (such as Apron star) by facilitating linkages with private sector suppliers including SOGEA
- 🌱 Support and facilitate the sales of crop seed packs and other inputs such as selected seed dressing technologies
- 🌱 Work with village level organizations to support farmer application of new technologies, including those related to soil fertility management
- 🌱 Ensure participation of women in value chain stakeholder platforms to identify areas of improvement or intervention

RESULTS IN 2014

At the end of the first phase, 50 staff of various community based organizations are trained on seed production techniques and related inputs, more than 3000 farmers will apply these new

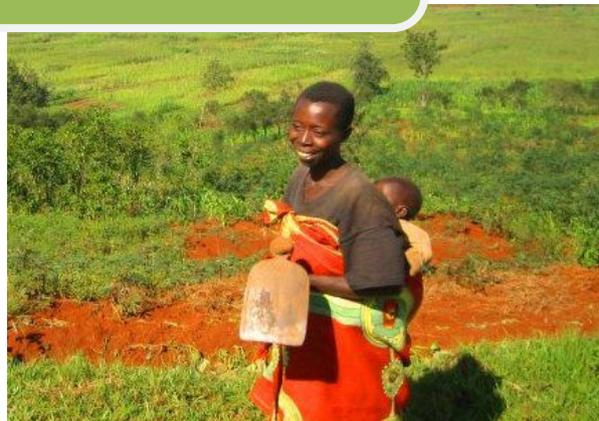
technologies. As at December 2014 the project completed **82 sorghum demonstrations in 28 villages**. ICRISAT agreed to provide additional funding (USD 137,000) to scale up the activities.

Increase Food Security and Improve Livelihoods of sorghum and rice producers

Burundi



DR Congo



Provinces of Intervention

GOAL

The overall objective of this project is to increase food security and improve access to primary education by integrating farmers into the supply chain of beverage industries.

Countries:

DRC

Burundi

Project length:

Feb 2009-Dec 2014 (DRC)

Feb 2009-June 2015 (Burundi)

Number of beneficiaries:

25,000 households in DRC (150,000 persons)

8,000 households in Burundi (48,000 persons)

Budget :

USD 7,553,048

Donors:

Dutch Ministry (schoklandfund): USD 2,702,661

Heineken (Cash): USD 3,101,228

Heineken (in kind): USD 1,749,159

PROJECT DESCRIPTION

This project, which started on February 1, 2009, is focusing on the inclusion of smallholder farmers into the rice and sorghum value chain, including access to credit and markets. The project permits a simultaneous enhancement of agricultural supply chains for the food and beverage industry while sharing and minimizing the associated risks. It will contribute to improving the livelihood conditions of the households involved by improving food security and generating a regular income. Moreover, by mobilizing social investment funds, the program will involve the communities in social projects, such as improving access to primary education in both isolated and impoverished areas. This project is especially focused on the promotion of rice culture in the DRC. A smaller component of the project supports sorghum production in Burundi.

ACTIVITIES

Objective 1. Increase agricultural capacity production of rural households.

- 🌱 Develop and strengthen producers groups and/or associations.
- 🌱 Train farmers in improved rice and sorghum cultivation and post-harvest technologies.
- 🌱 Leverage short term credit.

Objective 2. Limit DRC and Burundi dependency on imported food products.

- 🌱 Establish six long-term partnerships between producer groups, intermediaries and agro-processors.
- 🌱 Develop marketing capacities.
- 🌱 Facilitate transport and other logistics.

Objective 3. Improve primary school conditions and increase school enrolment for children in rice and sorghum producing communities and for children in Kinshasa.

- 🌱 Mobilize and manage the social funds.
- 🌱 Support school construction and school facilities.

ACCOMPLISHMENTS

In DRC

Rice is one of the basic components of beer production. With the Rice Project, Heineken's OPCO, Bralima, involves local entrepreneurs and farmers in rice production. On average, approximately half of the rice harvest is used for beer production by one of the six Bralima breweries in the DRC; the other half is used for consumption by local people. The project became a main source of income for many people and helped them to feed and educate their children. Local entrepreneurs and farmers around the rice fields were contacted and participated in the supply chain. Initially the project started in one province and finally covered ten provinces.

The project helped ensuring a secure supply of rice for production, helped revive the local agriculture (better quality seed, improved production, better cultural practices), reduced rural poverty, combated malnutrition, and improved access to primary education. Bralima now uses 87% local rice in beer production, an increase from 16% in 2008. There are now over 41,000 families involved, from 10,000 in 2008.

In Burundi

In February 2014 Brarudi launched a low-cost 100% sorghum beer called "**Nyongera**", which turns out to be a huge success. Brarudi's demand for white sorghum has gone up substantially and it expects to buy >5000 tons of white sorghum in 2015. Farmers are responding to the market and local sorghum production and sales are increasing exorbitantly. While the Minbuza grant is ending in June 30, 2015 EUCORD is seeking funding opportunities (e.g. from IFDC) to be able to carry forward activities that require further support. It was agreed that Brarudi employs EUCORD agronomists to continue the extension activities.



Learn more about our local sourcing project in DRC and Burundi through this Heineken video:
See also: bit.ly/1vLE9vH

Mrs. Faida Obeni is a dedicated rice farmer in southern Kivu in the Democratic Republic of Congo. Through EUCORD's rice project, Faida has been able to support her family through her farming. With help from her husband, she planted 6.5 ha of land with rice varieties such as Nerica, Jasmine, Sipi and Iron, all of which she received from EUCORD as a part of the project. Before the project, she had a yield of 900 kg/ha, but after introduction of new seeds and technical training, she has been able to increase her yield to more than 4,000 kg/ha for most varieties and over 6,500 kg/ha for the iron variety. Because of this great success, she has been able to support her family as a wife and mother, and even build a new home.

Kingabwa Rice Intensification Project

PIRK I



■ Intervention area

Country:

DRC

Number of beneficiaries:

1,500 households

Project length:

2011-2014

Budget:

USD, 2,038,000

Donors:

USAID/Winrock

Bralima Foundation

Common Funds for Commodities

GOAL

The overall goal of the Kingabwa Rice Intensification Project is to improve the level of food security and living standards of people who cultivate rice in the Pool Malebo area of Kinshasa by a quantitative and qualitative increase in rice production, through the development of the Kingabwa perimeter.

PROJECT DESCRIPTION

Agriculture accounts for 56.3 percent of GDP, and is the main source of livelihood, especially among the poor (80 % of the labor force) in the DRC. Rice production in the country stagnated since 1996. Since 1994, imports of rice have shown fairly dramatic, if erratic, increases. The local rice supply cannot meet the needs of the country, hence the yearly importation of large quantities of rice. This dependency of the DRC to outside rice production is a serious problem for an economy with limited available foreign currency reserves. Current annual imports of (milled) rice stand at more than 70,000 tons. The

special opportunity that the project site in the Pool Malebo zone offers is due to:

- 🌱 the proximity to a large urban human food and industrial offtake market;
- 🌱 the willingness of a local private sector partner to guarantee access to post-harvest processing facilities and nearby markets; and
- 🌱 the involvement of two NGOs with proven track records in the successful implementation of Public-Private Partnership projects.

By converting the Kingabwa swamp into productive irrigated rice farms, the area will provide sustained income to 1,600 of the poorest families in Kinshasa while contributing to the food security of the DRC. This project meets the USAID economic growth strategy for the DRC by:

- 🌱 focusing on a geographic area with maximum potential impact;
- 🌱 contributing to the self sufficiency of rice, a major food crop; and

- 🌱 securing collaboration with the agro-processing industry in order to overcome post-harvest processing, handling, storage, and transport constraints.

ACTIVITIES

By completion of the 36th month of the Kingabwa Rice Intensification Project, the project will:

- 🌱 Expand area of irrigable rice farms to 520 hectares
- 🌱 Expand area of other high value crops like vegetables to 180 hectares
- 🌱 Create market linkages for over 1,500 smallholder farmers and producer groups.
- 🌱 Create annual on and off-farm revenue of over \$1 million.
- 🌱 Increase rice productivity to 3.5 MT/ha.
- 🌱 Train at least 15 farmers in irrigation technology
- 🌱 Train at least 30 farmers in seed multiplication
- 🌱 Train at least 300 farmers in improved logistical and processing methods.

ACCOMPLISHMENTS

During the four years of implementation, the project achieved the following results:

- 🌱 1,500 meters of storm drains dug;
- 🌱 800 meters of Congo River tributaries cleaned and dredged;

Mrs Thethe Nzoka assisted her mother to farm rice in Kingabwa for more than 25 years before acquiring her own plots in Site II in 1995 and producing crops on her own. At the start of the PIRK project in 2011, Mrs Nzoka produced 339 kg of paddy on 16 acres. As a member of APRKING cooperative, she was chosen to be a team leader in the hydro agricultural development work. The land reclaimed through the work of APRKING permitted her to expand her cultivation. During the growing season of 2012-2013, her total production grew to 1829 kg of paddy. Proceeds from the sale of her rice allowed her to start a small business called ligablo (Shop Staples).

During the 2013-2014 season, Mrs Nzoka continues to expand both her rice growing and her business. She is leasing additional land for rice production and to date has harvested 3197 kg of paddy. Selling the rice through the marketing group operation at Bralima, she realized an income of USD 1,350.00. She is pleased with her farming achievements, her new business venture and her economic diversification and she continues to invest in her business and in the construction of a home for herself and her four children.

- 🌱 100 meters of local roads rehabilitated
- 🌱 1385 beneficiaries and 12 associations assisted;
- 🌱 Pool Malebo irrigated area expanded to 391 hectares;

TESTIMONIALS

USAID Visit to Kinshasa

https://www.youtube.com/watch?feature=player_embedded&v=C0o5X8rZ9gg

Looking forward

2015 appears to be a year for profound changes. A lot of thinking is ongoing on the form that EUCORD will take in the future and its links with Winrock International.

Finance: At the end of 2014, EUCORD registered as a non-profit organization in Belgium. EUCORD is reinforcing its foundation in the Belgian society and expects therefore to access new funding from the Belgian government. However it is a long process and only the first steps have been done. In 2015 the Belgian Foreign affairs organizes a screening of the Belgian NGO's to see what the best are to work with. Let's see if EUCORD will survive before a first project from Belgium is foreseen

Programs: In 2015, we expect to launch a second phase to PIRK I to reinforce the rice production in the Pool Malebo. The project planned will not only support the farmers in Kingabwa but also the rice producers from Tshuenge.

Besides, the new collaboration with MaltEurope Group in Ethiopia and the success of this project will be decisive in the possible.

In Burundi, the Schokland project will end by June 2015. EUCORD will have to think how to make the production of Nyongera beer sustainable and how the project could continue without EUCORD's presence.

In 2015, EUCORD will offer its expertise to support a study on cassava in Nigeria, Ghana and Mozambique funded by the Dutch organization, the Sustainable Trade Initiative (IDH).

They are supporting us



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FRANK EX

Expertise: Prevention & Treatment of HIV/AIDS

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Expertise: Africa agriculture and rural development as well as civil society (with Transparency International)

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Expertise: Agribusiness executive

GUENTER DRESDRUESSE

Expertise: International development/agricultural economist

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Project Coordinator, Kenya

Astère Simbashizweko

Project Coordinator, Burundi

Alpha Diallo

Project Coordinator in Guinea

Magatte Ndoye

Project Coordinator in Senegal

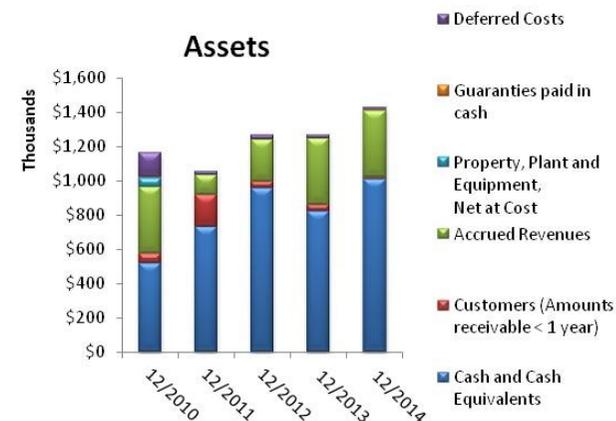
Tarekegn Garomsa

CREATE Project Coordinator in Ethiopia

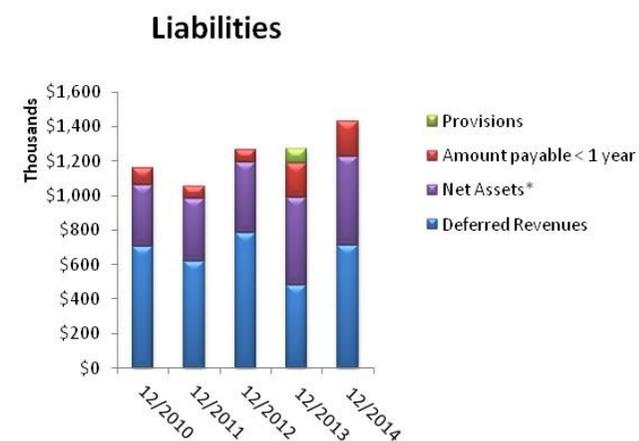
Financial Statement

ASSETS

Year	12/2010	12/2011	12/2012	12/2013	12/2014
Current Assets					
Cash and Cash Equivalents	\$518,995	\$728,084	\$953,344	\$822,660	\$1,006,311
Customers (Amounts receivable < 1 year)	\$56,821	\$186,218	\$38,864	\$37,177	\$11,488
Accrued Revenues	\$389,220	\$116,455	\$244,734	\$383,728	\$388,935
Deferred Costs	\$137,691	\$21,286	\$23,852	\$20,339	\$16,242
Total Current Assets	\$1,102,728	\$1,052,043	\$1,260,793	\$1,263,903	\$1,422,976
Investments	\$0	\$0	\$0	\$0	\$0
Property, Plant and Equipment, Net at Cost	\$51,712	\$0	\$0	\$0	\$0
Guaranties paid in cash	\$6,003	\$2,634	\$2,634	\$4,397	\$4,371
TOTAL ASSETS	\$1,160,442	\$1,054,677	\$1,263,427	\$1,268,301	\$1,427,347



LIABILITIES AND NET ASSETS	12/2010	12/2011	12/2012	12/2013	12/2014
Deferred Revenues	\$704,902	\$617,231	\$780,298	\$476,811	\$707,134
Amount payable < 1 year	\$101,952	\$71,866	\$74,355	\$199,732	\$205,692
Provisions	\$0	\$0	\$0	\$81,788	\$0
Total Liabilities	\$806,854	\$689,097	\$854,653	\$758,331	\$912,826
Net Assets*	\$353,588	\$365,580	\$408,774	\$509,970	\$514,521
TOTAL LIABILITIES AND NET ASSETS	\$1,160,442	\$1,054,677	\$1,263,427	\$1,268,301	\$1,427,347



* 2011 Result was affected to a special category for Severance liabilities.

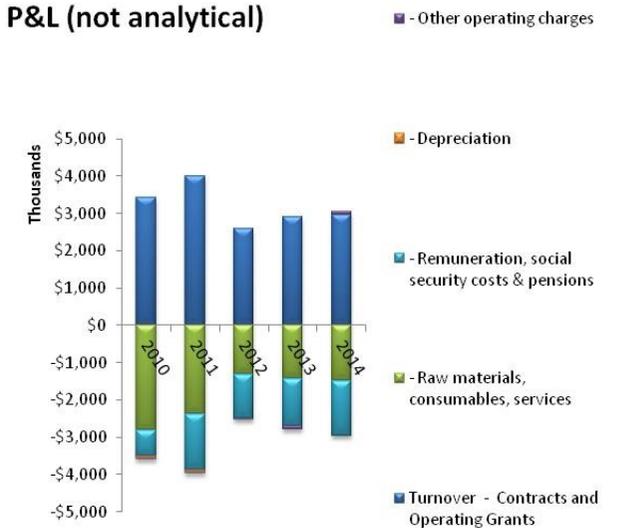


An affiliate of Winrock International

	2010	2011	2012	2013	2014
Turnover - Contracts and Operating Grants	\$3,410,925	\$3,990,974	\$2,584,857	\$2,910,031	\$2,953,469
- Depreciation	-\$51,708	-\$51,712	\$0	\$0	\$0
- Raw materials, consumables, services	-\$2,816,919	-\$2,396,117	-\$1,319,384	-\$1,439,595	-\$1,486,592
- Remuneration, social security costs & pensions	-\$702,669	-\$1,489,365	-\$1,189,505	-\$1,270,446	-\$1,482,587
- Other operating charges	-\$8,333	-\$2,029	-\$125	-\$83,610	\$83,324
= Operating Surplus	-\$168,704	\$51,751	\$75,843	\$116,379	\$67,615
+ Financial income	\$16,955	\$27,193	\$20,047	\$38,656	\$20,742
- Financial charges	-\$45,152	-\$60,151	-\$44,184	-\$53,429	-\$81,889
= Gain (loss) on ordinary activities	-\$196,901	\$18,793	\$51,706	\$101,605	\$6,467
+ Extraordinary income	\$55,301	\$5,234	\$8,197	\$1,896	\$0
- Extraordinary charges	-\$33,225	-\$12,035	-\$16,710	-\$2,306	-\$1,916
TOTAL SURPLUS (LOSS) of the period	-\$174,825	\$11,992	\$43,193	\$101,196	\$4,551
Change in Net Assets	-\$174,825	\$11,992	\$43,193	\$101,196	\$4,551
Net Assets at the beginning of Year	\$528,413	\$353,588	\$365,580	\$408,774	\$509,970
NET ASSETS AT CLOSURE DATE	\$353,588	\$365,580	\$408,774	\$509,970	\$514,521

** In 2010 and 2011, large gross revenues were acquired for the sub-awards (ISPs) from the CH project on which no ICR can be charged. This is why the turnover is going down. But this fact doesn't affect our surplus.

P&L (not analytical)



CASH FLOWS FROM OPERATING ACTIVITIES	12/31/2011	12/31/2012	31/12/2013	31/12/2014
Change in Net Assets	\$11,992	\$43,193	\$101,196	\$4,551
Depreciation	\$0	\$0	\$0	0
Loss/(gain) on disposal of fixed assets	\$0	\$0	\$0	0
Unrealised (gain)/loss on investments	\$0	\$0	\$0	0
Realised loss/(gain) on investment	\$0	\$0	\$0	0
(Increase)/decrease in:				
Customers (Amounts receivable < 1 year)	(\$129,397)	\$147,354	\$1,687	\$25,689
Deferred Costs	\$116,405	(\$2,566)	\$3,513	\$4,097
Guarantee paid in cash	\$3,369	\$1	(\$1,764)	\$26
Accrued Revenues	\$272,765	(\$128,279)	(\$138,994)	(\$5,207)
Increase/(decrease) in:				
Amount payable < 1 year	(\$30,086)	\$2,489	\$125,378	\$5,960
Deferred Revenues	(\$87,671)	\$163,067	(\$303,487)	\$230,324
Net cash provided by operating activities	\$157,378	\$225,259	(\$212,472)	\$265,440
CASH FLOWS FROM INVESTING ACTIVITIES	\$0	\$0	\$0	\$0
Net increase/ (decrease) in cash and cash equivalents	\$209,089	\$225,260	(\$130,684)	\$183,652
Cash and cash equivalents at beginning of the year	\$518,995	\$728,084	\$953,344	\$822,660
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$728,084	\$953,344	\$822,660	\$1,006,311