United Nations Development Programme

Country/Region/Global: Ethiopia

Initiation Plan

Project Title : Establishment of Coffee Village in Ethiopia

Expected UNSDCF/CPD Outcome(s) : UNSDCF/ CPD 2025-2030 Outcome 2: All people in Ethiopia more specifically the people who are left behind, benefit from inclusive, resilient, and sustainable economic development that prioritizes decent job opportunities

Expected CPD Output(s) : Solutions scaled up for sustainable management of natural resources, including sustainable commodities and green and inclusive value chains

Initiation Plan Start/End Dates : November 20, 2025 – May 20, 2027

Implementing Partner : Prime Minister Office

Brief Description

The Government of Ethiopia is planning the establishment of a Coffee Village designed to showcase Ethiopian coffee under the theme "Celebrating Ethiopia's Coffee, Beyond the Cup." This village would attract foreign and local visitors by establishing: 1) an exhibit that showcases the historical, traditional, and economic significance of coffee in Ethiopia to provide an educational experience for visitors; 2) research and development and convention centre to consolidate knowledge and empower communities in the Ethiopian coffee sector, as well as serve as venues for various events like the Cup of Excellence; and 3) coffee cupping and training centre to provide upskilling opportunities and build expertise in coffee. The aspiration is to mobilize USD 100 million through public and private sources. UNDP will work closely with The PM Office.

Programme Period:	2025 - 2030
Quantum Project Number:	01005193
Gender Marker:	

Total resources required	300,000
Total allocated resources:	300,000
• Regular	UNDP TRAC
• Other:	
○ Donor	TBD
○ Donor	TBD
○ Government	TBD
Unfunded budget:	
In-kind Contributions	

Agreed by UNDP:

UNITED NATIONS DEVELOPMENT PROGRAMME

I. PURPOSE AND EXPECTED OUTPUT

The purpose of the work is to help support the "Establishment of Coffee Village in Ethiopia." The Government has made a bold and strategic decision to have a coffee museum/village in a country that is the birthplace of coffee and the origin of humanity. The initiative aligns with Ethiopia's national strategies. It supports government-led efforts to enhance coffee sector productivity, improve market access, and promote Ethiopia as a premier global coffee destination. In the immediate phase, with catalytic funding of USD 300,000, the focus will be on concept design, financial roadmap, and resource mobilization to position the Coffee Village for large-scale investment. There are three areas of proposed intervention.

1. **CURATION**

a) **Research through Network and Study Tours:** UNDP will reach out to coffee experts in the UNDP network and globally to find proposals and resumes for a coffee museum curator. There are more than fifteen coffee museums worldwide in countries ranging from Dubai, Brazil, and India. These coffee museums provide an educational experience, allowing visitors to discover the rich heritage and cultural significance of coffee in different parts of the world. These museums are used by a few countries to not only tell the story of coffee but to position their respective brands. In this phase, the focus will be on documenting best practices and identifying models that can inspire Ethiopia's Coffee Village concept.

b) **Ethiopia can model itself on some of the best practices.** Currently, the World Coffee Museum is in the Buon Ma Thuot area in Vietnam, which is the world's second largest coffee producer after Brazil. It consists of open spaces specifically for exhibiting artifacts, photos, coffee tasting, and organizing seminars, a model that can be used in the case of Ethiopia. The UNDP team will facilitate learning exchanges with institutions like the World Coffee Museum in Vietnam or similar heritage centers in Japan to inform Ethiopia's Coffee Village design.

c) **Curators:** The goal is to find candidates with expertise in museum design and with a strong visual bent that can tell the story of the history of coffee in an innovative and visually stimulating way. Candidates will be filtered according to design qualifications and experience. The curator will be able to find the right design. The UNDP team will find resumes and conduct due diligence on potential candidates.

2. **DESIGN STRATEGY**

a) **Design.** Working with UNDP colleagues and private sector, the team can prepare a cost estimate looking at designers and curators. The proposal will come with a budget, part of which will be financed from the Country Office and the Regional Director.

b) **Cultural and Heritage Promotion.** The proposal will include a strategy to support coffee heritage preservation, such as digital storytelling or community-led exhibitions, which could be linked to the Coffee Village museum segment. The project will be an opportunity to show Ethiopian and other African coffees under the auspices of the AfCFTA, a landmark continent free trade initiative.

c) **R&D and Training Integration.** The design strategy will include understanding how to integrate R&D into the museum design. Given that there are other research centers in Jimma and elsewhere, the work will focus on additionality in the museum design.

d) **Cupping and Quality Labs:** The design strategy will include the setup of training centers modeled after ECTA programs to improve quality control and build local expertise.

e) **Traceability Assets:** The design can showcase digital infrastructure to monitor traceability, which directly increases price premiums and compliance with EUDR.

Ethiopia is also renowned for its unique ecosystems that are particularly suited for the cultivation of forest coffee, also known as wild coffee. The design can focus on:

f) **Biodiversity:** Ethiopia's diverse ecosystems, including dense forests and mountainous regions, provide ideal conditions for coffee plants to thrive. The shade of tall trees helps maintain the right humidity and temperature.

g) **Genetic Diversity and Conservation:** Ethiopia is the birthplace of Arabica coffee, and its forests harbor a rich genetic diversity of coffee plants. This biodiversity is crucial for breeding programs and the resilience of coffee against diseases. This involves both ex situ conservation (off-site) and in situ conservation (on-site) efforts, with a focus on maintaining the genetic diversity.

h) **Traditional Cultivation:** Forest coffee production is often done in a traditional manner, where local communities harvest coffee cherries from wild trees. This sustainable practice helps maintain the ecosystem and supports local livelihoods.

i) **Ecological Benefits:** The forest coffee agroforestry system contributes to soil conservation, water regulation, and habitat for wildlife, making it an integral part of the local ecology.

j) **Cultural Heritage:** Coffee cultivation is deeply rooted in Ethiopian culture, with rituals and traditions surrounding coffee preparation and consumption.

3. **FINANCING STRATEGY**

a) **Resource Mobilization.** The UNDP will develop a financial strategy to mobilize resources to finalize architectural and operational designs for the Coffee Village, including R&D and museum segments. A strategy will include a survey of the landscape of potential partners, both from the private sector and from the public sector.

b) **Roadshow Preparation:** The UNDP will advise on resources to prepare materials and convene events that showcase the Coffee Village concept to potential Grantmakers and development partners.

c) **Marketing.** The work will help conduct market research combined with a strong strategy to identify audience demand, assess competition, and secure critical funding and essential partnerships.

d) **Revenue.** It will provide some additional insights into the strong revenue model developed by EIH. Work with authorities to plan a revenue model for the Coffee Village and the positive externalities for the sector.

In terms of output, the Coffee Village will generate significant economic and social benefits, including:

1. **Economic Empowerment using Digital Technology-Based Solutions:** Strengthening Ethiopia's coffee value chain by consolidating knowledge, fostering innovation, and encouraging investment in coffee infrastructure and technology. The sector is becoming much more technologically oriented. Digitalization is transforming the coffee industry, with the use of digital platforms. Blockchain: Blockchain technology is being used to improve transparency and traceability in the coffee supply chain, ensuring that coffee is produced in an environmentally and socially responsible manner. Blockchain technologies could potentially make a significant difference on a global level. The use of AI, QR codes, smartphones, and satellite mapping is vital to ensure geolocation and traceability to comply with EUDR regulations on deforestation. Technology will also be used to monitor and optimize coffee production.
2. **Revenue Generation:** Attracting both local and international visitors, generating revenue through exhibitions, events, and specialized training programs. By devoting space to coffee research, the externalities from the Coffee Village for the sector can be strong. Enhanced revenue generation for farmers using new technologies and varieties will be beneficial for farmers. Moreover, the Coffee Village can help brand Ethiopia and increase niche and specialty exports.

3. **Skills Development:** Enhancing continental industry expertise through specialized training in coffee cupping, processing, and business management. The Coffee Village can be a laboratory for training for coffee farmers in optimal production techniques and for coffee marketers in strategies to brand Ethiopia and help expand to overseas markets. By bringing investors to the Coffee Village, there will be an opportunity to learn from experience of other countries.

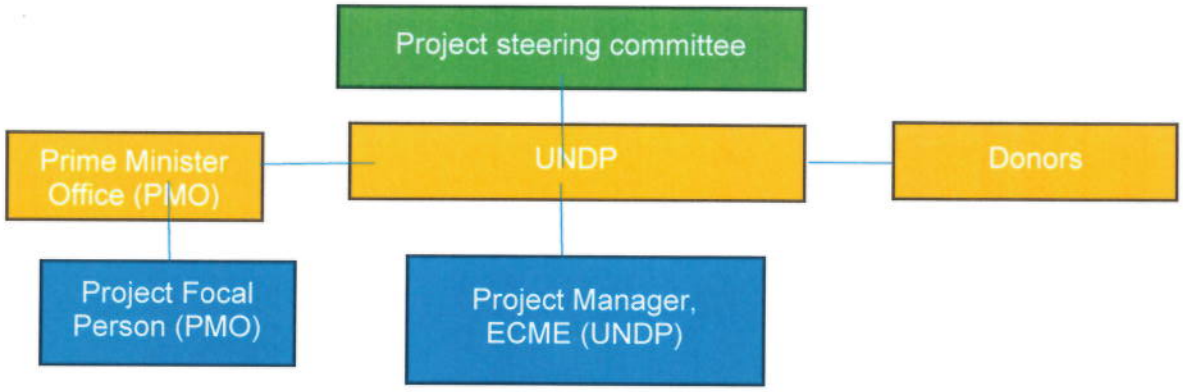
II. MANAGEMENT ARRANGEMENTS

Effective project management is crucial for the Project's success. Establishing a Project Management Office (PMO) in The Prime Minister's Office under his chief of office, developing detailed project plans with clear objectives, timelines, and budget allocations, and implementing robust monitoring, evaluation, and learning mechanisms are essential for tracking progress and making informed adjustments. Developing result frameworks, including Result Based Performance Management systems and Key Performance Indicators (KPIs), will enable the Project to measure success and align with policy goals and vision.

Governance and Management Arrangements

Governance and management arrangements are fundamental to ensuring effective oversight and coordination. Establishing steering committees for strategic decision-making, defining roles and responsibilities at different levels, and ensuring strong governance, leadership, and institutional arrangements will contribute to the Project's overall success.

Chart 1: Project management Structure



By leveraging these resources and strategies, the Establishment of Coffee Museum Project can effectively address its objectives and achieve meaningful outcomes in line with the Project's vision.

III. MONITORING

The project will be structured around a **Results Framework**, which systematically outlines the anticipated outcomes and outputs required to achieve the overarching goal and objectives. This framework incorporates SMART indicators, along with baseline data, performance targets, and clearly defined data collection methodologies to facilitate effective progress tracking.

Progress will be assessed against the established baselines and targets, utilizing verifiable evidence collected through the designated means of verification. Upon project approval and commencement of implementation, **continuous monitoring** will be conducted to assess progress, identify emerging challenges, and support evidence-based decision-making for timely corrective actions. Additionally, the monitoring process serves to capture lessons learned throughout the project lifecycle.

Progress and financial reports shall be submitted on a quarterly and annual basis, in strict accordance with the approved work plan and budget, and in conformity with the standardized reporting template provided by the United Nations Development Programme (UNDP). These reports shall be jointly prepared by the UNDP, in close collaboration with the Prime Minister's office, to ensure accuracy, coherence, and alignment with the overarching objectives of the project. The project shall undergo

progress and completion reports. The findings, recommendations, and lessons derived from these reports will inform the design of a full ledged coffee village project.

The **Monitoring and Evaluation (M&E) plans** provide the strategic framework for conducting all monitoring and evaluation activities, ensuring accountability, learning, and adaptive management.

In terms of indicative project activities, the following is envisaged:

Indicative Activities

Date	Work	Budget (USD)	Comments
Aug-Sept 2025	• Initial Government request from PM and PMO office/UNDP development case proposal submitted to PMO	N/A	Initial consultations were done
Oct-Dec 2025	• Scoping for curatorial/subject specialist expert using UNDP networks consulting with Government • Budget will provide support for initial scoping, including personal expenses and initial proposals. • Coordinate field visit to bring Ethiopian delegation to visit Lavazza Museum • RPF issuance for recruitment of design firm • Submission by UNDP/consultants of more detailed financial costing and resource mobilization plan	Seed funding to conduct initial scoping	Importance for UNDP to do due diligence
Dec 2025 – February 2026	• Recruit design consultant with rich experience in museums using modern technology and innovation • Design consultant will propose understanding of the brief, project team, work plan, budget, and references for successful project outcome	300K funding	Top quality expert with international experience and technological edge
January 2026- November 2027	• Interim report of design team on optimal design, including research component and training centers • UNDP team engages in a strong resource mobilization strategy and reaches out to private sector and donors for more public and private capital to finance hard infrastructure • The UNDP will support first roadshow to prepare materials and convene events that showcase the Coffee Village concept to potential grant makers and development partners. • Funding will also be used to develop a clear communication strategy during roadshow • Workshop on design plan supported by UNDP • Commence of construction	TBD Mobilization of additional capital Target: USD 100 million (18 months)	Reach out to firms like Starbucks and Illy as well as UN and bilateral donors
	TOTAL Budget	**300,000**	

IV. WORK PLAN

EXPECTED OUTPUTS *And baseline, indicators including annual targets*	PLANNED ACTIVITIES *List activity results and associated actions*	TIMEFRAME 2025 - 2027						RESPONSIBLE PARTY	PLANNED BUDGET		
		Q4	Q1	Q2	Q3	Q4	Q1		Funding Source	Budget Description	Amount
Output 1: Enhanced tourism and economic opportunities, as well as strengthened preservation of Ethiopia's coffee heritage, achieved through the establishment and full functionality of the National Coffee Museum **Indicators:** Number of design documents produced for the National Coffee Museum Baseline: 0 Target: 6	1.1. Undertake recruitment of the coffee design firm	300,000						UNDP/PMO	UNDP TRAC	CORE	300,000
Indicator: Number of curated artifacts, documents, and multimedia materials prepared for exhibition Baseline: 0 Target: 1	1.2. Undertake the recruitment of curator		150,000						TBD		
Output 2: Increased revenue generation for the Coffee Museum **Indicators:** Number of resource mobilization plans developed	2.1. Engagement with Stakeholders to Mobilize Resources (including Roadshows), including JICA, UNIDO, AFREXIM, AFDB, Climate Finance, Private Sector					50 million	50 million	UNDP/PMO	TBD	TBD	100 million

Baseline: 0 Targets: 1 **Indicator:** Number of stakeholder partnerships formed (public, private, and development partners). Baseline: 0 Target: 5	2.2. Completion of Design Firm/Curation Model			Y		Y			TBD	TBD	
Output 3: Enhancing continental industry expertise through specialized training in coffee cupping, processing, and business management ***Indicators:*** *Number of Rserach and training centres established* *Baseline: 0* *Targets: 3*	3.1. Enhancing continental industry expertise through specialized training in coffee cupping, processing, and business management.				10,000	10,000	10,000		TBD	TBD	
	3.2. Development of R and D Training Center						20 million		TBD	TBD	
TOTAL											300,000