



**Decisions and Resolutions adopted
at the 114th Session of the
International Coffee Council**

2 – 6 March 2015

Item 1:	Adoption of the Agenda	2
Item 2:	Admission of observers	2
Item 3:	Votes and credentials	2
Item 4:	Membership of the International Coffee Agreement (ICA) 2007	3
Item 5:	Annual Review 2013/14	4
Item 6:	Coffee market situation.....	4
Item 7:	Studies and reports.....	5
Item 8:	Global Coffee Forum.....	6
Item 9:	World Coffee Conference	7
Item 10:	Programme of Activities	8
Item 11:	Strategic review of the ICO.....	9
Item 12:	Consultative Forum on Coffee Sector Finance	10
Item 13:	Report by Chairpersons of ICO bodies	11
Item 14:	Food safety	15
Item 15:	Cooperation with other agencies	16
Item 16:	National coffee policies	17
Item 17:	Financial and administrative matters.....	17
Item 18:	Special Fund.....	19
Item 19:	Other business.....	19
Item 20:	Future meetings.....	20

1. The International Coffee Council, chaired by Mr Conradin Rasi of Switzerland, met in London from 2 to 6 March 2015. The Executive Director gave a special welcome to the Ambassadors of Colombia, Ecuador, El Salvador, Ethiopia, Guatemala, Honduras, Indonesia, Nicaragua and Venezuela, as well as the High Commissioner of Papua New Guinea.

Item 1: Adoption of the Agenda

2. The Council adopted the draft Agenda contained in document [ICC-114-0 Rev. 2](#) and took note of the schedule of meetings.

Item 2: Admission of observers

3. Rule 5 of the Rules of the Organization provides that at the start of each Session, the Council shall decide on the acceptance of observers and designate the items on the Agenda open to accepted observers. The Secretary referred to document [ICC-114-2](#) containing a list of observers approved for admission to Sessions in 2014/15.

4. The Council noted that the list of observers for admission to this Session contained in Annex I of document [ICC-114-2](#) would be revised to include Café Africa, an observer invited by the Executive Director. The Council decided that the observers could attend the 114th Session and any Committees open to observers. However, observers would not be permitted to attend items relating to finance and administration which would be restricted to Members only.

Item 3: Votes and credentials

Item 3.1: Votes for coffee year 2014/15

5. The Council took note of the situation of outstanding payments affecting voting rights as at 26 February 2015, contained in document [ICC-114-1](#).

Item 3.2: Credentials

6. The Council noted that the Secretariat had examined the credentials received from Members and had advised the Chairperson of the Council that they had been found to be in good and due form. The Council approved the report on credentials¹.

¹ The report was subsequently circulated, together with the List of Delegations, as document ICC-114-10.

Item 4: Membership of the International Coffee Agreement (ICA) 2007

7. The Executive Director introduced document [ICC-114-3](#) containing a report on the status of membership of the ICA 2007. As at 2 March 2015, there were 40 exporting Members and 6 importing Members.

8. The Council noted that Madagascar had deposited an instrument of ratification on 26 November 2014. The Executive Director reported that the Democratic Republic of Congo had informed the ICO that the instrument of ratification was already with the President and was now awaiting official notification by the Ministry of Foreign Affairs. The Dominican Republic had advised the ICO that the Congress had approved ratification and that the official notification would be made by the Government. Papua New Guinea was still informally applying the Agreement. Colombia, which was also still applying the Agreement provisionally, was close to completing the remaining procedures for membership.

9. The Executive Director also reported that several non-members were making progress in the process to become Members. The authorities of the Lao People's Democratic Republic had advised the ICO that they were aiming to complete membership procedures in 2015. All the official documents had been prepared, and made ready for signature and approval. The Head of Operations had attended the 1st Lao Coffee Festival in October 2014. Peru had settled its outstanding arrears in November 2012 and hopes to complete all the necessary procedures in 2015. Nepal had also expressed interest in joining the ICO.

10. The Executive Director said that he had received a letter from the Russian Federation in December 2014 noting that the draft bill "On Accession of the Russian Federation to the International Coffee Agreement 2007" had been submitted to the parliament of the Russian Federation. The delegate from the Russian Federation thanked the Secretariat and the Members for admitting his country to the 114th Session as an observer and gave a further update on the accession process. He said that on 24 February 2015 the State Duma had adopted the law on accession. On 2 March the Special Committee for International Affairs of the Federation Council (the high chamber of the parliament) would review the law which would then be submitted for adoption by the Federation Council on 4 March. The procedures for acceding to the ICA 2007 would be finalised in the very near future. In closing the delegate commented that the accession process had been supported by the Russian private sector including the Russian Association of Tea and Coffee Producers as well as the Organisation of Coffee Producers in Russia.

11. The Executive Director reported that he had attended the Japanese National Coffee Day on 1 October 2014. He had met Mr Fumio Kishida, Minister for Foreign Affairs, Mr Kentaro Sonoura, Parliamentary Vice-Minister for Foreign Affairs, and Ms Yuko Nakagawa, Parliamentary Vice-Minister for Agriculture, Forestry and Fisheries of Japan. In his

conversation with the officials, the Executive Director had stressed the importance of Japan, the fourth largest coffee consuming country, rejoining the International Coffee Agreement. He had also given a presentation at the World Coffee Leaders Forum and Café Show in Seoul in November 2014. He had met representatives of the coffee industry of the Republic of Korea to discuss the benefits of membership and the ICA 2007.

12. The Council took note of document [ICC-114-3](#).

Item 5: Annual Review 2013/14

13. The Executive Director introduced the [Annual Review](#) for coffee year 2013/14. This was a coffee year during which important decisions were made: for example, the decision to hold the Global Coffee Forum in Milan, Italy and the 4th World Coffee Conference in Addis Ababa, Ethiopia. It included an overview of the market and was available to all Members in the four languages. Members congratulated the Secretariat on the quality of this document. The Council took note of the Review.

Item 6: Coffee market situation

14. The Head of Operations made a presentation on the global coffee market. Overall production for both Arabicas and Robustas had fallen, mainly due to the drought in Brazil but also, to a lesser extent, to the bad weather experienced in Indonesia. In Central America, however, production had increased, showing that countries such as Honduras and Guatemala were recovering from the coffee leaf rust crisis. Unfortunately the same could not be said of Peru where production had fallen due to coffee leaf rust taking hold there. It could already be seen that 2014/15 would be a deficit coffee year for Arabicas and, to a lesser extent, Robustas, but by how much was still to be determined.

15. Consumption on the other hand had remained strong and had increased in many countries, especially the traditional markets. The ICO had given a conservative estimate indicating an increase in consumption of about 2%. With regard to prices, these had fallen over the previous six months which may have been surprising considering the deficit in production. However, ever since the drought in Brazil prices had been very volatile. The recent fall in prices was due to exports remaining strong thanks to significant stocks around the world, particularly in Brazil and also the devaluation of the local currency against the US dollar in many of the world's most important producing countries. As stocks began to fall, and the impact of both the lower oil price and the deficit in production began to be felt, it was expected that prices would start to pick up again.

16. One Member asked how the coffee market situation and in particular the deficit would impact African coffee producers. The Head of Operations said that the Executive Director had

addressed this issue in his presentation at the AFCA Conference: he had highlighted that this was an opportunity that African coffee producers should seize, not just in the short term due to the deficit, but also in the long term to meet the demands of consumers. Projections showed that 30 million more bags would be needed to meet the demands of the market by 2020. Furthermore the market was demanding more diversity in terms of fine coffees and different origins.

17. One Member asked if the Executive Director could prepare, in time for the September 2015 Council Session, a technical report on the combined effect of the drought in Brazil, the devaluation of local currencies and the fall in the price of oil. The Executive Director replied that although the ICO did not have a mandate to talk about future prices, it could look into this issue. The Council took note of the Head of Operations' report.

Item 7: Studies and reports

18. The Head of Operations introduced document [WP-Council 249/14 Rev. 1](#) on coffee and climate change. This document had been initially presented at the Council meeting in September 2014 and had subsequently been revised to reflect the feedback received from Members. As this was such an important issue, Members could continue to submit their comments to the Secretariat in order for the document to be further updated. It was decided that Members should submit their comments by 31 July 2015 so that the Secretariat could prepare a final draft for the Council's approval in September. Once this document had been approved, it would be submitted to the Conference of the Parties of the United Nations Framework Convention on Climate Change (UNFCCC) ahead of the important climate change negotiations to be held in Paris in December 2015. The Council noted that this document had to be ready at the next Council Session in September 2015 for it to be submitted well in advance of the negotiations and ensure that the ICO's voice was heard.

19. The Head of Operations also introduced document [ICC-114-7](#) which served as an Annex to the aforementioned coffee and climate change document. The idea behind this document was to provide Members with a practical guide on how to finance climate-related activities in the coffee sector. The Secretariat would be available to assist Members with matters relating to this and would gather information on the Intended Nationally Determined Contributions (INDCs) for each country. The Head of Operations noted that the Secretariat would also be working closely with its partner IDH The Sustainable Trade Initiative to ensure that all projects submitted by the ICO for funding have a climate change element.

20. The Chief Economist introduced document [ICC-114-5](#), a study analysing the sustainability of the African coffee sector. He noted that the analysis was carried out on the

basis of data available from Members at the time. As more data became available, the report would be updated. The overall conclusion was that the sector was making progress towards sustainability but that there remained many challenges to be overcome.

21. The Council took note of all three documents.

Item 8: Global Coffee Forum

22. The representative from the Italian Ministry of Foreign Affairs gave a progress report on the preparations to host the Global Coffee Forum and the 115th Council Session in Milan in September 2015 as part of EXPO Milan. The ICO would hold all its events in the week of 28 September to 2 October 2015. The week in Milan would be divided as follows:

Monday 28 September, Tuesday 29 September and Friday 2 October	115 th Session of the International Coffee Council and other ICO meetings
Wednesday 30 September and Thursday 1 October	Global Coffee Forum
Thursday 1 October	The first International Coffee Day

23. He presented in detail the draft programme for the Global Coffee Forum which would be open to all coffee lovers and focus on the three virtues of coffee: pleasure, health and sustainability. The draft programme proposes a series of expert presentations covering a variety of disciplines and topics, for example, food, the creative arts, health and history from the point of view of coffee. All of the events would be held in the Stella Polare Congress Center where various meeting rooms and space for the Secretariat staff would be available. The Global Coffee Forum would be free for all ICO Members.

24. Celebrations of the first International Coffee Day would take place around Milan including a photo exhibition on Via Dante. Oxfam would run a *caffè sospeso* campaign to raise funds to support smallholder coffee farmers. The Chairman noted that the Memorandum of Understanding governing the partnership between the ICO and Oxfam would be examined by the Promotion and Marketing Development Committee before being passed on to the Council for approval if deemed appropriate.

25. One delegate asked whether the theme of coffee and solidarity would be addressed by more than just the Oxfam initiative, for example, would there be a specific theme for the ICO meetings such as fostering solidarity between producers and consumers. The Head of Operations replied that, at the time of reporting, there was only the Oxfam initiative on this topic but if Members had suggestions they were more than welcome to contribute to the draft programme.

26. The Council took note of the update which is available in document ICC-114-6.

Item 9: World Coffee Conference

27. The representative from Ethiopia thanked the Council for having given Ethiopia the opportunity to host the 4th World Coffee Conference². He reported that Ethiopia had committed all the necessary resources to making this event a resounding success. An organizing committee made up of various government ministries, the private sector, civil society, coffee cooperatives and coffee farmers were working tirelessly to make sure that the Conference would be a world-class event. Ethiopia had an unparalleled coffee culture and was working to ensure that this event further strengthened the coffee industry. The organizing committee suggested two themes for consideration by the Council:

- a) Celebrating coffee culture, from seed to cup
- b) Increasing consumption through diversity and culture

28. Nine months prior to the Conference a dedicated website would be launched. Online registration would be possible four months in advance of the Conference. There would also be a possibility for on-site registration to enable as many local people as possible to attend. Promotion of the event would start in April 2015 at the Speciality Coffee Association of America (SCAA) exposition in Seattle at which Ethiopia would be featured as the portrait country. The organising committee was considering three venues: the African Union conference facilities, the United Nations Economic Commission for Africa (UNECA) conference facilities and the Sheraton hotel with a preference for the UNECA facilities because the African Fine Coffee Association (AFCA) had already had two successful conferences there and the organizing committee was familiar with the venue. The delegate outlined options for travel, accommodation and the optional field visits. The committee hoped to have all the preliminary arrangements in place, including finalising the venue, block-booking hotels and launching the website in the next couple of months³.

29. The Council took note of this information and decided that, as was customary, Ethiopia, as the host country, would chair the World Coffee Conference. One Member raised a concern regarding holding the Conference immediately after the AFCA conference in 2016 due to the expense this would represent for African delegates.

² Subsequent to the Council Session, Ethiopia advised the ICO that it would confirm shortly the dates for the World Coffee Conference to be held in early 2016.

³ The presentation made by Ethiopia on the World Coffee Conference is available on the ICO's [website](#).

Item 10: Programme of Activities

Programme of Activities for 2013/14

30. The Head of Operations introduced the report on the implementation of the Programme of Activities for coffee year 2013/14 contained in document [ICC-114-4](#) as requested by the Council at the March 2014 Session. This was the first time that the implementation of the Programme of Activities for any given year had been assessed and was an ongoing process which would involve further refinement. It was hoped that in the future this document would serve to give a better picture and assessment of the ICO's work. The Head of Operations welcomed any comments or input from Members.

Draft Programme of Activities for 2015/16

31. The Head of Operations introduced the draft Programme of Activities for 2015/16 contained in document [WP-Council 250/15](#). The budget for the Programme of Activities as laid out in the Annex amounts to a total of £50,000, £1,000 more than the current coffee year. £40,000 has been ear-marked for the much-needed upgrade of the statistical software which was custom-made for the ICO. The upgrade would take into account not just the significant changes that have taken place during this time but also make the software compatible with the new website which will allow users to generate their own data and charts. A further £10,000 had been set aside for the ICO's normal ongoing expenses on activities such as a seminar.

32. One Member raised the point that a degree of flexibility needed to be maintained in the Programme of Activities for 2015/16 to take into account the outcome of the strategic review of the ICO. It was noted that Activity 19 had been removed as it related to the ICO acting as the Project Executing Agency (PEA), a function which Members had decided in March 2014 should be approached with caution and carefully researched. One Member commented that some of the indicators were not useful or could not be measured and should therefore be removed.

33. The Council approved both documents with the proviso that some flexibility be accorded to the Draft Programme of Activities for 2015/16 and that the change regarding the indicators be made⁴.

⁴ The Programme of Activities was subsequently published as document [ICC-114-9](#).

Item 11: Strategic review of the ICO

34. The Head of Operations introduced document [WP-Council 252/15](#), a draft concept note on a strategic review of the ICO. The draft concept note was submitted by the European Union, Switzerland and the United States. The aim of the strategic review was to:

- sharpen the strategic focus and relevance of the Organization;
- provide the Secretariat with guidance to ensure that the decisions and work undertaken by the Secretariat staff contributed to achieving the strategic targets in clearly defined timeframes; and
- strengthen the ICO, so that the Organization's resources would be efficiently allocated, target the priorities of the Member countries, and pave the way for a successful future.

35. The Head of Operations explained that the idea behind hiring an external consultant was to have an independent third party who would act as the facilitator for the process, guiding and coordinating the review. The consultant would not give his/her own view but would rather seek that of all the relevant stakeholders.

36. The Council discussed this item at some length, particularly with regard to the methodology and the timeline for proceeding. Several Members expressed a need for the ICO to move ahead quickly with this. One Member suggested that each Member should inform the Secretariat of its priorities and vision for the Secretariat's work. The Secretariat could then compile these views and report back to the Council in September, at which point the methodology for going forward could be decided. He introduced the ideas of a working group, going ahead with contacting an external consultant and/or a taskforce of experts as possible ways of following up to the Secretariat's initial report. One delegate offered to help finance the external consultant but a Member pointed out that the cost of the consultant was already included in the Organization's Budget. The representative of Uganda offered to be part of the working group once the Terms of Reference were established and said that it might be able to contribute to the financing of the external consultant. The idea that Member countries should submit their priorities to the Secretariat was supported by several Members.

37. The strategic review was endorsed by several other Members. After internal consultations, the producer spokesman emphasised the importance of the strategic review but stated that more time was needed for Members to consult with their capitals.

38. The Council agreed that the strategic review would be discussed again at the next meeting in September but that all Members should be ready for such discussions having already debated the matter with their governments.

Item 12: Consultative Forum on Coffee Sector Finance

39. The 5th Consultative Forum on Coffee Sector Finance was held on 3 March 2015 and chaired by Mr Juan Esteban Orduz of Colombia. It was designed to be a follow up to the 4th Consultative Forum that took place in September 2014 under the title “Bridging the gap between farmers and finance”. In the morning session, presenters from the World Bank, the Asian Development Bank, the Inter-American Development Bank and the African Development Bank gave presentations. In the afternoon, it was the turn of the representatives from DEG, USAID, the Common Fund for Commodities, the Commodities Fund in Kenya and Rabobank Rural Fund. All the presenters gave informative and useful presentations on the challenges and the necessary procedures that have to be addressed in order for coffee growing communities to obtain finance.

40. The Chairman of the 5th Consultative Forum highlighted several key messages to come out of the day’s event such as the need to focus on farmers and agriculture in order to help communities all over the world and reduce poverty. Another key message of both this Forum and the previous Forum was that the ICO needs to be the link between the coffee communities and the financing institutions.

41. The Chairman also spoke about two outcomes of the Forum. At the Forum the Inter-American Development Bank (IDB) had introduced its ConnectAmericas platform. The Secretariat would follow-up with IDB to see how the ICO could use the platform and also potentially build its own for projects and access to financing. The second was the discussions with the Clinton Foundation, ECOM and the Neumann Foundation on how to create skills amongst farmers and enhance their productivity and efficiency in running their farms.

42. The Core Group held its meeting on 5 March. The Committee discussed the 5th Forum which was felt to have been very interesting. Members stressed the importance of following up this event and asked if other institutions, for example, the European Investment Fund or the European Investment Bank, could be brought on board. The Executive Director had stated that the Secretariat was always looking to involve more institutions, so these plus the European Bank for Reconstruction and Development could all be contacted.

43. The Head of Operations presented the compendium of case studies on risk management and access to finance prepared jointly by the World Bank and the ICO. It was hoped that the lessons learnt would be disseminated widely including via a series of webinars

that the ICO and the World Bank plan to host. The Committee discussed the date of the 6th Forum and decided that there would not be enough time to hold it in either September 2015 in Milan or in 2016 in Ethiopia. It would therefore be held in September 2016 in London. Committee Members were asked to submit ideas for the theme and speakers to the Secretariat by 30 August 2015 to ensure as practical and productive a 6th Forum as possible.

44. The Council took note of the Chairman's report on the Forum and the Core Group and expressed its appreciation for all his hard work in preparing and chairing the Forum, which was one of the highlights of the week.

Item 13: Report by Chairpersons of ICO bodies

Item 13.1: Private Sector Consultative Board (PSCB)

45. Mr Ric Rhinehart of the SCAA was re-elected Chairman and Mr Leman Pahlevi of the Indonesia Coffee Exporters' Association (GAEKI) was elected Vice-Chairman. The Board met on 4 March 2015⁵. The Chairman reported that the Board had heard several updates from different PSCB members and guests. There was an update on the activities of the World Coffee Research which are primarily funded by the private sector and concentrate on plant breeding programmes, coffee leaf rust mitigation strategies and climate change resilience strategies. USAID gave an update on its ongoing efforts in Latin America to fight coffee leaf rust. Its projects cover financing for farmers who have been hit by the disease, research and the distribution of resources for replanting. The Coffee Quality Institute reported on its three part programme to address the issue of gender equality in coffee. The programme is split into three phases: research, pilot projects and the scaling up of successful projects and Members were invited to collaborate and get involved in this initiative. Following a presentation on Vision 2020, several PSCB members agreed to join the meeting planned for April 2015. The Head of Operations gave a brief update on EU safety regulations concerning caffeine and acrylamide which was generally positive. The Board discussed the International Coffee Day as well as the World Coffee Conference. Regarding the latter, the Board decided that it would pass on its suggestions for speakers and topics either directly to the hosts or to the Committee that would be set up by the Council to guide the ICO's work on this.

46. The Council took note of the Chairman's report and thanked him for chairing the PSCB.

⁵ The report of this meeting was subsequently circulated as document [PSCB-144/15](#).

Item 13.2: Promotion and Market Development Committee

47. Mr Andrea Illy of EU-Italy was re-elected as Chairman and Mr Belisario Domínguez Méndez of Mexico was re-elected as Vice-Chairman. The Committee met on 4 March 2015⁶. The Vice-Chairman reported that Mexico had introduced the book 'Mexican Coffee: origin and destination,' that it hoped to present together with a video in Milan as part of EXPO Milan 2015.

48. The Vice-Chairman further reported that the Communications Officer had given a brief presentation on the changes being made to the ICO's visual identity with the use of new colours and typefaces and the continuing work on the website which the ICO hopes to launch in September in Milan. The Committee also heard a report from the Librarian on the new Intranet and the use of the ICO library by the public and Internet users across the world.

49. The Vice-Chairman reported that the Committee had had lengthy discussions regarding International Coffee Day and the involvement of Oxfam in the project. The Committee had decided to recommend the draft Memorandum of Understanding (MoU) to the Council for approval but on the condition that certain concerns were taken into account. The Committee had commented that certain standard elements regarding the allocation of the funds raised had not been included. For example, how much would be spent on administrative costs and how much would be spent on projects, and which regions would benefit and in what proportion. As far as reporting was concerned, Oxfam agreed that funds would continue to be allocated and used beyond the 12 month reporting period outlined in the MoU. They would be happy to continue providing reports beyond this time. Oxfam also clarified that their partners would be responsible for implementing and overseeing the projects on the ground. The Committee requested that further details be added to the MoU before it was approved by the Council. It was also felt that the ICO needs to draw up a clear procedure for entering into and establishing this kind of partnership, not just with other NGOs, but for any area of the ICO's work that requires an external partnership with financial implications.

50. The Committee had considered the presentations that were given in the Council meeting on the Global Coffee Forum and the World Coffee Conference.

51. The Council thanked the Vice-Chairman for his report and took note of the information. One Member recommended that, as there had not been enough time to make the changes to the document that the Committee had requested, that the Council should give its approval but on the basis that the changes be made and it should be submitted to the

⁶ The report of this meeting was subsequently circulated as document [PM-44/15](#).

working group for final approval. A Member agreed with this and raised specific concerns relating to Oxfam's power to veto any potential future partnership and the branding of the event. He requested that the International Coffee Day remain an ICO event and be branded as such. Branding of the *caffè sospeso* campaign as an Oxfam event would, however, be acceptable. Another Member added his reservations including the view that the document needed to be worked on and tightened up.

52. The Council decided, in light of the comments, to recommend that the MoU be reworked and sent to the working group for final approval. The Council also noted that the Committee had in general seen the partnership as a positive initiative and that the ICO should go ahead with it. However, the problems encountered showed the need for the ICO to develop a selection process for this type of partnership in the future.

Item 13.3: Statistics Committee

53. Ms Marcela Urueña of Colombia was elected Chairperson and Mr Piotr Krawczyk of EU-Poland was elected Vice-Chairman. The Statistics Committee met on 4 March 2015⁷. The Chairperson reported that the Committee had considered document [SC-46/15](#) which contained a report on statistical compliance by Members. It showed that out of 40 exporting Members, only 5 generally complied fully, while 8 had good compliance. Nine countries had partial compliance, while 15 exporting Members showed full non-compliance. Another 3 countries showed poor compliance, although the Committee acknowledged that two of these countries, Indonesia and Cameroon, had been in contact with the Secretariat and had expressed their desire to work with the Secretariat to improve the situation. The Chairperson stressed the need for all Members to provide the Secretariat with the most accurate information possible. Mr Euan Mann of Complete Commodity Solutions and a representative of the Statistics Roundtable, had reported to the Committee on the work of the Roundtable. It was noted that it was necessary for accurate and timely information to be sent to the Secretariat in order to increase the precision of ICO statistical data. The Head of Operations would report back to the Council in September 2015 on the progress made.

54. As there had been a significant increase in the revenue received from statistical subscriptions in the last year, the Committee recommended that the ICO continue with its policy on dissemination of information. In discussions on the ICO's conversion factors for roasted, decaffeinated and soluble coffee, it was noted that there had been significant technological advances in the soluble coffee industry, which might be reducing the conversion factor for soluble coffee. The Secretariat agreed to contact some soluble manufacturers to look into this in more detail and to report back to the Committee in September 2015 on the

⁷ The report of this meeting was subsequently circulated as document [SC-54/15](#).

progress of this work. The Committee considered an update on the Coffee-Quality Improvement Programme, which can be found in documents [SC-48/15](#) and [SC-49/15](#), and agreed to continue collecting this information.

55. With regard to the Secretariat's request for an upgrade to its statistical software, the Committee agreed that this update was necessary, but considered that the Secretariat should wait until the results of the strategic review before committing to a new system.

56. The Committee considered the new weightings of the groups of coffee used in the calculation of the ICO composite indicator price. This is a routine update, which is reviewed every two years, and would come into effect on 1 October 2015. The Committee recommended that the Council approve this update.

57. Members expressed concern at how few Members were complying with the ICO's Rules on Statistics. The importance of providing data in a timely fashion and coordinating with the ICO on this matter was reiterated by Members. Several Members raised the possibility of diversifying the sources used for obtaining statistical data so as to increase their reliability. The Secretariat took note of the points raised and the Chairman of the Council recommended that this point should be included on the agenda for the September 2015 meetings when the Secretariat would be able to give Members another update.

58. On the recommendation of the Statistics Committee, the Council approved the addendum to the Rules on Indicator Prices contained in document [SC-51/15](#) which would take effect on 1 October 2015 (see document [ICC-105-17 Add. 2](#))

Item 13.4: Projects Committee

59. Ms Amy Diggs of the USA was elected Chairperson and Mr Belisario Domínguez Méndez of Mexico was elected as Vice-Chairman of the Projects Committee. The Projects Committee met on 2 March 2015⁸. Under the item on the agenda on challenges and strategy for ICO projects, the Head of Operations had raised two important points: the Memorandum of Understanding between the ICO, IDH The Sustainable Trade Initiative and the 4C Association; and the Strategic Review of the ICO. He had reported to the Committee that the partnership with IDH and the 4C Association would give the ICO the ability to take full advantage of the private sector's expertise, particularly when trying to source funding for projects. It would complement the existing work of the Projects Committee. On the topic of the Strategic Review of the ICO, he stressed that projects would be a key area of this review as the ICO still needed to know exactly what role Members wanted the Secretariat to play.

⁸ The report of this meeting was subsequently circulated as document [PJ-89/15](#).

60. The Chairperson reported that the Committee had examined the updated Terms of Reference and the Virtual Screening Subcommittee (VSS) assessment document and in doing so noted that redefining the projects area of the ICO's work remained work in progress. Following a request from one Member, the Secretariat agreed to clarify the deadline for Members to submit project proposals to the VSS under point 10 of the Terms of Reference. With this proviso the Committee recommended both documents for approval by the Council. The Committee had heard reports on three ongoing projects in Africa (see document [PJ-86/15](#)) and two recently concluded projects, one in Africa and one in Central America. The executive summaries of both concluded projects are available in document [PJ-87/15](#), with further details available from the Secretariat. The Council took note of this information and approved the updated Terms of Reference contained in document [PJ-34/12 Rev. 3](#)⁹ and the VSS assessment document contained in document [PJ-17/11 Rev. 6](#)¹⁰.

Item 13.4.1: Projects for endorsement by the Council

61. Under this item the Committee considered the recommendations from the VSS on the project 'Revitalization of the coffee sector of Zimbabwe through enhancement of the coffee value chain' as detailed in document [PJ-83/15](#). The Committee decided to recommend the proposal for the Council's endorsement.

62. The Council took note of the Committee's recommendations and endorsed the project proposal. It was agreed that all new project proposals should be submitted to the Secretariat by 30 June 2015 in time for the meetings in Milan.

Item 14: Food safety

63. The Head of Operations reported that there were no significant changes or policy updates from consuming countries regarding food safety. The ICO continues to monitor Regulation (EU) No. 1169/2011 which is presented in document [ICC-111-7](#). The Head of Operations reported that the EU had been debating the impact of caffeine content and considering placing limits on how much people consume. However, it looked as if the final report would consider caffeine independently of coffee, which was positive. The Council took note of this information.

⁹ This document was subsequently circulated as document [ICC-110-13 Rev. 1](#), Annex VIII.

¹⁰ This document was subsequently circulated as document [PJ-88/15](#).

Item 15: Cooperation with other agencies

The Memorandum of Understanding with IDH and the 4C Association

64. The Head of Operations reported on the draft Memorandum of Understanding (MoU) between the International Coffee Organization (ICO), the 4C Association and IDH the Sustainable Trade Initiative which had been introduced to Members in September 2014 in document [WP-Council 248/14](#). The aim of the MoU was to establish a multilateral partnership for public-private collaboration in the coffee sector working towards a sustainable and thriving coffee community. The Head of Operations explained that Vision 2020 acted as an umbrella for the MoU which was the operative framework for aligning the private and public sectors' priorities. The MoU would provide a channel for governments, through the ICO, to make sure that the private sector understood and took into account their key priorities for the development of the coffee industry. Similarly it would allow governments to understand the direction in which the private sector was looking to move and to establish public-private partnerships for sustainable development within the coffee industry. Vision 2020 covered all those involved in the coffee industry in order to come to a pre-competitive understanding of the key issues in sustainability to achieve greater impact for the projects and programmes of the three organizations involved.

65. The Head of Operations went on to outline the different areas in which the ICO and IDH together with the 4C Association could immediately begin cooperating if the MoU were approved and signed. The three areas which could be tackled through collaborative work streams were financial literacy and access to finance; a joint approach to obtaining finance from donors and the dissemination of best practices; and adaptation to climate change. The MoU would not have any financial implications for the Organization; it would simply formalise the partnership to allow the organizations to work together.

66. The Chairman commended the initiative and stressed the importance of the ICO reaching out to other organizations. Members expressed their support for the MoU and asked the Secretariat to make sure that it regularly reported to Members on the progress being made. The Council approved the MoU¹¹.

Cooperation with other agencies

67. As in previous years, the ICO had maintained its presence at a variety of events. The Executive Director had been a keynote speaker at the 3rd World Coffee Leaders Forum in Seoul, Republic of Korea, in November 2014 and he had also attended the TriestEspresso Expo

¹¹ It was subsequently published as document [ICC-114-8](#).

in October. The ICO had kept in touch with the Arthur Dobbs Institute which was developing a very promising alternative to the use of pesticides. The Head of Operations had given a presentation at Kew Gardens on coffee and also spoken at Abocol's First International Meeting on Coffee Productivity in Colombia. The full list of events attended by the ICO can be found in the Annual Review. The Council took note of this information.

Item 16: National coffee policies

Mexico

68. The representative of Mexico introduced a video regarding the Mexican government's strategy to promote domestic consumption in Mexico. He also extended an invitation to all Members to attend the International Coffee Convention which will be held from 3 to 5 July 2015 in Mexico City before showing a short video on the same subject.

69. The Council took note of this information and the videos. Both videos are available on the ICO's website.

Item 17: Financial and administrative matters

Item 17.1: Finance and Administration Committee

70. Mr Aly Touré of the Côte d'Ivoire was re-elected as Chairman and Ms Amy Diggs of the USA was elected as Vice-Chairperson of the Finance and Administration Committee. The Committee met on 2 and 5 March 2015¹².

71. The Chairman reported that with respect to the financial situation the Committee had noted that the Organization had an overall surplus of £112,500 above what might have been expected from the Budget.

72. The Committee had considered the draft Budget for 2015/16 contained in document [FA-96/15](#). On the one hand, overall expenditure for 2015/16 is budgeted to reduce by nearly £19,000 to £2,895,000, due to savings in personnel, language services and other operating costs. On the other hand, however, forecasted income is expected to decrease by £70,000 to £50,000 due to the anticipated effect of the demolition and building works next door in Berners Street. The Secretariat had taken legal advice concerning its remedies in this respect, but had been advised that there is little the ICO can do apart from sue, which is likely to be very expensive and probably unsuccessful. The net result of the decrease in expenditure and income is a proposed contribution for 2015/16 of £1,486, which represents an increase of 1%.

¹² The report of this meeting was subsequently circulated as document [FA-103/15](#).

This would generate a surplus for the year of £150,000 which is needed to replenish the Reserve Fund. In light of the potential for further developments in a number of items, particularly the likely effect of the building works on income, the Committee decided to make a final decision on the draft Budget in September 2015.

73. With regard to outstanding contributions, after discussion of document [FA-98/15](#), the Chairman reported that the Committee had decided to recommend to the Council that:

- (a) the Council Spring Session be moved from March to April beginning in 2017; and
- (b) that the Secretariat be asked to undertake further research into the sanctions available to the ICO, including penalties for late payment and the suspension of rights and services beyond voting rights, in so far as was consistent with the ICA 2007.

74. Given the significant efforts Sierra Leone had made to reduce its arrears, the Committee agreed to recommend that a draft Resolution be submitted to the Council for its approval. It also recommended that Sierra Leone's votes be restored in the interim period. As a result, document WP-Council 254/15 was circulated during the Council Session. The Council approved this draft Resolution which became [ICC Resolution 455](#) and is attached to these Decisions. Sierra Leone's voting rights were reinstated.

75. The Committee had reviewed proposals for revisions to salary scales and the basis for contributions to the Provident Fund for staff in the General Service category contained in document [FA-90/15](#), and the proposals for revisions of salary scales for staff in the Professional and higher categories contained in document [FA-91/15](#). The Committee decided to recommend approval of both documents to the Council. The Council duly approved both documents.

76. In terms of the review of the Staff Regulations and Staff Rules, the Committee had agreed to the EU consultant's approach which she had outlined during the meeting. According to her proposed timeline she would present her final report to the Finance and Administration Committee and the Council in September 2015.

77. The Council took note of this information and approved the necessary documents under this item.

Item 17.2: Premises

78. The Finance and Administration Committee discussed the issue of the ICO's premises at considerable length. It was noted that members of the Secretariat would prefer to stay in Berners Street, or, failing that, in an intermediate location. After due consideration of the options, the Committee decided to recommend to the Council that the ICO should, in principle, leave Berners Street at the end of the lease; and that the Executive Director should continue to research alternative possibilities for a move to the periphery of London or to an intermediate location. Bearing in mind that a decision needed to be made in the latter half of 2016, he was asked to present preliminary proposals at the Council Session in September 2015 and keep the Committee updated on this issue as the date of the lease expiry approached. The Council took note of this information and agreed to the principle of the ICO leaving Berners Street.

Item 17.3: Administrative Accounts of the Organization for the financial year 2013/14 and Report of the Auditors

79. On the recommendation of the Finance and Administration Committee, the Council decided to approve the Administrative Accounts of the Organization for the financial year 2013/14 and the Report of the Auditors contained in document [FA-92/15](#).

Item 18: Special Fund

80. The Head of Finance and Administration reported that the Secretariat had asked the Organization's solicitors for a legal opinion on the distribution of the Special Fund. The producer spokesman said that this was a matter that required consensus. As consensus was yet to be reached on all points, there was a need for further discussions. The Council therefore agreed to add it to the agenda for the next session in September 2015. The Finance and Administration Committee recommended that the audited Accounts of the Special Fund and the Report of the Auditors for the financial year 2013/14 contained in document [FA-93/15](#) should be approved by the exporting Members.

Item 19: Other business

Staff Introduction

81. The Head of Operations introduced Ms Claire Selden (selden@ico.org) who had taken over from Mrs Helen Wright as Senior Secretariat Assistant.

Farewell

82. As this was Mr Jawaid Akhtar's last meeting as a delegate representing India at the ICO, the Council thanked him for his hard work as Chairman of the Council for coffee year 2013/14 and wished him well in his future endeavours.

Item 20: Future meetings

83. The Council noted that its next Session would take place in Milan, Italy from 28 September to 2 October 2015.



**INTERNATIONAL
COFFEE
ORGANIZATION**

ICC Resolution 455

5 March 2015

Original: English

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International Coffee Council

114th Session

2 – 6 March 2015

London, United Kingdom

Resolution number 455

APPROVED AT THE SECOND PLENARY MEETING,
5 MARCH 2015

RESTORATION OF VOTING RIGHTS OF SIERRA LEONE

WHEREAS:

Paragraph (2) of Article 21 of the International Coffee Agreement 2007 provides that, If any Member fails to pay its full contribution to the Administrative Budget within six months of the date on which the contribution is due, its voting rights and its right to participate in meetings of specialized committees shall be suspended until its contribution has been paid in full. However, unless the Council so decides, such Member shall not be deprived of any of its other rights nor relieved of any of its obligations under this Agreement;

As at 23 February 2015 Sierra Leone had outstanding contributions amounting to £12,824 for 2014/15 and previous years;

Sierra Leone has continued to reduce its outstanding contributions and has submitted a proposal for rescheduling payment of its arrears as shown in document [FA-101/15](#) (attached); and

In recognition of the commitment by Sierra Leone to pay the arrears in accordance with the instalment scheme shown in document [FA-101/15](#), it is deemed appropriate to restore its voting rights,

THE INTERNATIONAL COFFEE COUNCIL

RESOLVES:

1. To permit Sierra Leone to pay its outstanding contributions to the Administrative Budget for 2014/15 and previous years in 2 instalments of £6,412, payable in March 2016 and March 2017.
2. To restore with immediate effect the voting rights of Sierra Leone for as long as the above payment plan is maintained and future contributions are paid in accordance with the provisions of Article 21 of the 2007 Agreement.
3. That this Resolution shall not constitute a precedent in respect of the waiver of obligations relating to contributions under the provisions of Article 21 of the 2007 Agreement.
4. To request the Executive Director to inform the Finance and Administration Committee of Sierra Leone's compliance with its obligations under paragraph 1 of this Resolution.



Finance and Administration Committee
16th Meeting
2 March 2015
London, United Kingdom

Sierra Leone

**Payment of arrears in contributions
to the Administrative Budget**

RESTRICTED

Background

1. As indicated in the document concerning the situation of outstanding contributions affecting voting rights (document ICC-114-1), Sierra Leone has outstanding contributions of £3,998 as at 23 February 2015 for coffee year 2013/14. The contribution for the current year, 2014/15, amounts to £8,826, making a total amount due of £12,824.
2. Sierra Leone has informed the Executive Director that problems in paying the required contributions have arisen because of financial constraints in the last few years. However, Sierra Leone has also made significant efforts to reduce its arrears, having paid £23,975 to date in 2014/15. This has reduced the amount of arrears outstanding from £27,973 at 30 September 2014 to £3,998 at the current date.
3. The Produce Monitoring Board of Sierra Leone has submitted a request dated 16 February 2015 to pay the arrears in two annual instalments. A copy of this request is attached hereto. The first payment of £6,412 would be remitted in March 2016 and the final payment of £6,412 would be remitted in March 2017, while the contributions for 2015/16 and 2016/17 would be kept current.

Action

The Committee is requested to consider whether Sierra Leone's proposal is acceptable as a means of settling its arrears, and to make a recommendation to the Council in connection with the votes of Sierra Leone in view of efforts being made to repay its outstanding contributions.



PRODUCE MONITORING BOARD

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Mobile: +232 76 391 900, 76 912 262, 76 601 237, 88 999 505

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16th February, 2015

Our Ref: PMB/ICO/ACC/003

Mr. David Moorhouse
Head of Finance and Administration
International Coffee Organization
22 Berners Street
London W1T3DD
United Kingdom

Dear Sir,

PROPOSAL FOR THE PAYMENT OF OUTSTANDING ARREARS

We wish to express our appreciation for your cooperation in the settlement of Sierra Leone's arrears to the ICO.

Referring your letter dated 10th February 2015, the proposal we wish to submit is as below:

March 2016 - £ 6,412

March 2017 - £ 6,412

As you rightly noted, the contribution for 2015/2016 of £ 8,826 will be paid in September 2015, whilst the first installment of the arrears of £ 6,412 will be paid in March 2016.

The same applies for 2016/2017 contribution which has not yet been calculated, but we expect that when once that amount is determined, it will be paid in September 2016, whilst the remaining arrears £ 6,412 will be paid in March 2017.

We however, promise that as the financial situation of the PMB improves, these amounts will be paid before the proposed due dates motioned.

Counting on your usual cooperation, please.

Yours faithfully,

Isatu Haja Kabba

Ag Executive Director