



**Report of the Core Group on the
Consultative Forum on the meeting
held on 10 March 2016**

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1. The Core Group, chaired by Mr Juan Esteban Orduz of Colombia, met in Addis Ababa, Ethiopia on 10 March 2016.

Item 1: Adoption of the Agenda

2. The Core Group adopted the draft Agenda contained in document [CG-27/15](#).

Item 2: Report of the last meeting of the Core Group

3. The Core Group took note of the report of its 8th meeting contained in document [CG-26/15](#).

Item 3: 6th Consultative Forum on Coffee Sector Finance

4. Before discussing the 6th Consultative Forum on Coffee Sector Finance, the Executive Director provided a brief overview of the previous five forums. The Chairman of the Core Group then presented his ideas on the theme, format and participants for the 6th Forum.

5. The Chairman laid out the challenges that the coffee industry is facing, using the case of Colombia as an example. Given that achieving a sustainable coffee sector features prominently on the list of challenges, he suggested that the Forum should focus on the third pillar of sustainability which is often overlooked, namely economic sustainability. How to make growing coffee economically sustainable is a major issue not just in social terms but also throughout the whole value chain. As a result, the Chairman stressed that the economic viability of coffee should be perceived not just as a social problem but also as a business challenge.

6. With this in mind, and having consulted with other Members, the Chairman suggested that the broad idea for the 6th Forum be to bring together representatives of coffee growers to find common ground with representatives of both the public and private sectors. He emphasised the need for new solutions for new challenges and proposed that these could be found by turning to dynamic, creative methods currently being developed, an example of which are initiatives in the United States to unlock private capital flows.

7. After an interesting discussion, it was decided that the Group should proceed with the Chairman's idea and focus on the issue of economic sustainability. It was also decided that the day would include presentations from experts who could outline both the socio-economic situation throughout the coffee sector and the latest tools and initiatives to emerge. In addition to these presentations, time would be devoted to a workshop in which face to face dialogues could take place for ICO Members to discuss with the private sector concrete steps for moving forward.

8. One Member suggested that it would be good to get in touch with the International Cocoa Organization (ICCO) who have just begun a study to analyse the economic sustainability of different cocoa producing models. Another delegate also mentioned the work that the Speciality Coffee Association of Europe (SCAE) was carrying out on the use of hedging instruments for producers in conjunction with roasters whereby, as part of the contractual agreement, the buyer provides risk management for the seller.

9. Members were asked to send the Secretariat any ideas they may have for partners who could be approached to sponsor the event.

10. The 6th Consultative Forum on Coffee Sector Finance will be held in London at the time of the 117th Council Session from 19 to 23 September 2016.

Item 4: Other business

11. Ms Nancy Cheruiyot made a presentation on behalf of the Chief Executive of the Finance Alliance for Sustainable Trade entitled 'Building business and livelihoods through sustainable trade finance'. The presentation is available on the ICO's website.

Item 5: Date of next meeting

12. The Core Group noted that the next meeting of the Group would take place in London at the time of the 117th Council Session from 19 to 23 September 2016.