



**Decisions and Resolutions adopted  
at the 116<sup>th</sup> Session of the  
International Coffee Council**

**9 – 11 March 2016**

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1. The International Coffee Council, chaired by H.E. Mr Iván Romero Martínez, met in Addis Ababa, Ethiopia from 9 to 11 March 2016. The Chairman thanked the Ethiopian Government for hosting both the 4<sup>th</sup> World Coffee Conference and the 116<sup>th</sup> Session of the International Coffee Council. The Chair also welcomed the Organization's newest Members: the Democratic Republic of the Congo and Peru represented by Mr Faustin Lokinda, and H.E. Mr Claudio de la Puente, respectively. He welcomed the Ministers and Ambassadors who had travelled to Addis Ababa to attend the Council Session including H.E. Mr Mauro Luiz Iecker Vieira, Minister of Foreign Affairs of Brazil, who also addressed the Council. H.E. Mr Mauro Vieira spoke about the importance of coffee in Brazil, the state of the country's coffee industry and Brazil's role in the ICO.

2. The Chairman gave a special mention to delegates attending the meetings for the first time and representatives from non-member countries especially the representatives of the Coffee Association of China.

**Item 1: Adoption of the Agenda and schedule of meetings**

3. The Council adopted the draft Agenda contained in document [ICC-116-0 Rev. 1](#) and took note of the schedule of meetings.

**Item 2: Admission of observers**

4. The Secretary introduced document [ICC-116-2](#) containing details of the observers approved by the Council in September 2015 for admission to Sessions in 2015/16. There were no new requests for observer status for this Session. The Council decided that, as per normal practice, items on finance would not be open to observers.

**Item 3: Votes and credentials**

**Item 3.1: Votes for coffee year 2015/16**

5. The Council took note of the situation of outstanding payments affecting voting rights as at 4 March 2016 contained in document [ICC-116-1](#).

**Item 3.2: Credentials**

6. The Secretary informed the Council that the credentials received from Members had been examined and generally found to be in good and due form. The Secretary requested that all Members who had not yet submitted the original copy of their credentials do so at their earliest convenience. The Council approved the verbal report on credentials.<sup>1</sup>

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<sup>1</sup> The report was subsequently circulated, together with the List of Delegations, as document ICC-116-13.

**Item 4: International Coffee Agreement (ICA) 2007**

**Item 4.1: Membership of the ICA 2007**

7. The Executive Director reported that significant progress had been made since the September Council Session in terms of membership of the ICA 2007. He reported that the Organization now had 42 exporting Members and 8 importing Members. On 14 December both the Democratic Republic of the Congo and Peru ratified and acceded to the Agreement, respectively. The Council took note of statements made by Mr Faustin Lokinda, Principal Adviser to the President of the Democratic Republic of the Congo and H.E. Mr Claudio de la Puente, Ambassador of Peru to the United Kingdom.<sup>2</sup>

8. With regards to non-members, the Executive Director reported that Laos was making good progress and that in their most recent communication they remained optimistic that they would soon accede to the ICA 2007. The Executive Director invited Members to take the opportunity to talk to the Chinese representatives attending the meetings as observers.

9. The Council took note of this information and approved the report on membership contained in document [ICC-116-3](#).

**Item 4.2: Article 48 of the ICA 2007**

10. The Secretary reminded Members that paragraph 2 of Article 48 of the Agreement states that “The Council shall review this Agreement five years after its entry into force and shall take decisions as appropriate.” As the ICA 2007 entered into force on 2 February 2011, the 5<sup>th</sup> anniversary fell on 2 February 2016.

11. Members’ comments on this review revolved around the need to keep the Agreement up-to-date and in line with a rapidly changing coffee world. It was noted that the ongoing Strategic Review would cast light on whether or not the Agreement needed to be amended. One Member stressed that the Agreement was up-to-date and that any renegotiation of the Agreement would require a significant amount of time and effort.

12. The Council took note of these comments and the link between the provisions established under Article 48 of Agreement and the Strategic Review outcomes.

**Item 5: Annual Review 2014/15**

13. The Executive Director presented the Annual Review for coffee year 2014/15. He made reference to several notable events including the 5<sup>th</sup> Consultative Forum on Coffee Sector Finance, the Global Coffee Forum and International Coffee Day. He also highlighted

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<sup>2</sup> Both statements were subsequently circulated as documents [ICC-116-11](#) and [ICC-116-10](#), respectively.

that 2014/15 was the year in which the ICO formalised its first private-public partnership in the form of the Vision 2020 initiative. Further details about Vision 2020 can be found under Item 14: Cooperation with other agencies.

**Item 6: Coffee market situation**

14. The Head of Operations gave an update on the world coffee market. She reported that the ICO's estimate for global coffee production in crop year 2015/16 was 143.4 million 60-kg bags, 1.4% higher than last year. Lower production in Brazil of 43.2 million bags had been compensated by increases in Vietnam, Colombia and Indonesia, among others. During the first five months of 2015/16 production in Colombia was already on 6.4 million bags compared to 5.4 million bags for the same period of last year. Indonesia had been affected by adverse weather although a slight recovery to 11 million bags was provisionally estimated. In Africa, production was rising by 6.1% to reach 17.1 million bags, representing nearly 12% of the world total. In Ethiopia, output was estimated at 6.4 million bags, 3.4% less than last year, as the inconsistent rains had had a negative effect on the crop. Increases were expected across the board in Central America and Mexico as the region recovered from the outbreak of coffee leaf rust, although Peru is still badly affected.

15. Looking ahead to crop year 2016/17, Brazil's National Food Supply Company (Conab) initially estimated production in the country at between 49.1 and 51.9 million bags. This could potentially be a record crop for Brazil, higher than the 50.8 million produced in 2012/13.

16. Global coffee consumption in calendar year 2015 was estimated at 152.1 million bags, up from 150.3 million in 2014. Total consumption in importing countries was estimated at 104.9 million bags, while exporting countries had increased at an average rate of 2.1% over the last four years to reach 47.3 million bags.

17. These production and consumption figures suggested that 2015/16 would be another deficit year in the coffee market, with demand exceeding supply. This gap was being filled by build-up in stocks, particularly in exporting countries, from previous years when output was higher.

18. The Head of Operations highlighted that coffee prices had stabilised recently, but that they remained at very low levels. The average price of the ICO composite indicator price was 111.75 US cents/lb in February, 0.8% higher than the previous month, but down from 141.10 cents a year ago. This decline in the coffee market over the last 18 months was mostly attributed to the ongoing appreciation of the US dollar, along with a broader weakness in global commodity prices. Looking ahead, it should be kept in mind that this trend will also increase the cost of any imported inputs in coffee production, particularly fertilisers or machinery, and is likely to result in reduced investment in production over time. Domestic inflation also increases the cost of labour, which can account for 60% to 70% of the overall cost of production.

19. Export levels had remained strong, allowing inventories in importing countries to be restocked and giving roasters a considerable buffer against any short-term supply concerns. This had prevented prices from maintaining any significant rally. The Council took note of the report.

**Item 7: Studies and reports**

20. The Senior Economist presented a new study entitled 'Future coffee farmers: the challenge of generational change in rural areas in African countries' published as document ICC-116-4 to address the widespread concern about ageing farmers. The study reviews existing evidence and discusses the findings in the context of the coffee sector with a specific focus on selected Sub-Saharan African countries.

21. He pointed out that on the one hand, there are opportunities in the agricultural sector and yet on the other hand, youth in African countries is becoming less interested in pursuing a future in farming. Young people are less and less inclined to follow in their parents' footsteps and engage in coffee farming. Rural young people, who are often more educated than their parents, are seen as the potential driver of change in the agricultural sector as a result of their propensity to adopt technological innovations and implement modern farming techniques which are crucial to increase productivity in the coffee sector.

22. The key means of involving youth in the coffee sector is to increase its attractiveness as a livelihood strategy. The relative economic viability of growing coffee compared to other agricultural crops or non-agricultural income generating activities needs to be increased. A more favourable business environment in rural areas needs to be created by addressing longstanding constraints to farming. At the same time where necessary, specific attention needs to be given to factors which disproportionately affect young people, for example, better access to finance and land.

23. The Council took note of this study.

**Item 8: World Coffee Conference**

24. H.E. Mr Wondirad Mandefro, State Minister of Agriculture for Ethiopia reported to the Council on the outcome of the 4<sup>th</sup> World Coffee Conference which took place from 6 to 8 March in Addis Ababa.

25. On behalf of the Ethiopian Government, the State Minister expressed his thanks to the Chairman of the International Coffee Council, H.E. Mr Iván Romero Martínez, Ambassador of Honduras, and the Executive Director of the International Coffee Organization, Mr Robério Oliveira Silva, for the cooperation in organising this event and making it happen for the first time on African soil.

26. The 77 Member countries of the ICO and over 1,000 attendees including coffee growers, representatives from government, the private sector, and international agencies participated in a range of discussions related to the theme of the Conference, 'Nurturing coffee culture and diversity'. The main themes covered in the sessions ranged from gender equality in the coffee sector to the role of public policy in increasing farm productivity.

27. With 51 exhibitors making use of the exhibition area to showcase the Ethiopian coffee sector, the Conference was a true celebration of coffee culture and diversity. The Minister noted that the Conference had heralded a new beginning for the Ethiopian coffee industry, especially with the launch of the coffee development strategy and the establishment of the Coffee and Tea Development and Marketing Authority which would spearhead the country's coffee industry.

28. He summarised the main messages to emerge from the Conference as follows. Firstly, there was broad consensus amongst speakers and delegates that increasing the profitability and productivity of coffee farming is key for the future of the whole sector. Secondly, the panellists had highlighted that in order to advance sustainable practices along the value chain, the coordination between the various existing programmes and initiatives available to growers needs to be improved. Thirdly, climate change had been stressed as a serious challenge for the coffee sector which would need to be addressed through an increased number of private-public partnerships in order to increase research and expand on this topic. Fourthly, the need for and merits of inclusion of women and young people in the coffee sector were a common thread. Finally, while numerous challenges in the coffee sector were identified, there are also opportunities as coffee remains a growing market.

29. The Minister considered the Conference to have been a success but welcomed any feedback Members may have, particularly with regard to any improvements that could be made and fed into the 5<sup>th</sup> World Coffee Conference.

30. Many Members took the floor to express their deep gratitude to the Government and the Secretariat for having organised the World Coffee Conference and ICO meetings. Members thanked the Government for its hospitality and for offering them the opportunity to visit the birthplace of coffee. Members also expressed their pleasure that the State Minister of Agriculture was able to honour them with his presence throughout the entirety of the meetings. At the same time, African Members were keen to express their pride in their neighbour for such a well-executed Conference that would doubtless pave the way for future coffee events in the continent. Delegates praised the organisers for having produced such an interesting Conference that addressed many of the challenges currently facing the coffee sector. They pointed out the importance of the Secretariat taking on board the results of these discussions, in particular in light of the Strategic Review of the Organization.

**Item 9: Programme of Activities**

31. The Head of Operations introduced document [ICC-116-7](#), the final report on the Programme of Activities for coffee year 2014/15. The document provides an internal assessment on the implementation of all activities as laid out in the Programme of Activities for 2014/15 ([ICC-113-11](#)). Many of the activities were discussed in greater detail under other items on the Council agenda such as the Vision 2020 initiative under Item 14: Cooperation with other agencies. The Head of Operations noted that an updated summary of the status of ICO projects could be found in document [PJ-99/16](#).

32. The Head of Operations also introduced the programme of activities for 2016/17 ([WP-Council 265/16](#)) which is based on the ICO's Action Plan (document [ICC-105-19 Rev. 3](#)). An estimate of the cost of specific activities is given in the Annex (£40,000 for transparency of the coffee market (Activity 6) and £10,000 for communication, public outreach and dissemination of knowledge (Activity 20)). These projected costs are the same as for coffee year 2015/16 and are incorporated in the draft Administrative Budget for the financial year 2016/17 ([FA-119/16](#)).

33. The Strategic Review was discussed in more detail under Item 10 of the Agenda but Members were asked to note that a revision of the Organization's Action Plan was expected to be undertaken by the Working Group and that the draft Programme of Activities for next year would then be amended accordingly.

34. Members recognised the amount of work that had obviously gone into preparing the two documents. With 29 strategic actions and 85 activities listed, one Member felt that a clearer focus was required. He also raised a concern that some actions were rather broad and that more details were needed in order to give guidance for internal management and help with external communications. Specific examples cited were missions to Member countries, ICO reports and countries for projects. The same Member underscored the quality of goals two and four but highlighted that one and three were of lesser quality. Action 25 he deemed to be of very high quality and said it could be taken as a template for developing some of the less detailed ones.

35. Another Member expressed direct support for the actions on promoting a fair price, conversion factors, obstacles to trade and consumption and standardised statistics as these actions build small-scale farmer capacity. He stressed the importance of picking adequate indicators and asked that action 19 on the Project Executing Agency be either clarified or removed.

36. There was also a request for a comparison with the previous year to be included in the final report on activities.

37. Finally, a concern was raised regarding the uncertainty of the Executive Director's contract and how this would affect next year's Programme of Activities. The Chairman assured Members that the Organization's activities would continue regardless of who was in charge. The Council took note of the comments and the documents.

**Item 10: Strategic Review of the ICO**

38. The Chairman of the Working Group on the Strategic Review of the ICO informed the Council that the Group had met on Thursday 10 March for the 5<sup>th</sup> time since it was created in September 2015. The meeting focused on the review of the Terms of Reference, the timetable and the table of contents contained in document [WP-Council 266/16 Rev. 1](#).

39. The Chairman reported that as a result of discussions held by the Working Group, the Secretariat had produced a second revised version of the document. He mentioned that one Member had raised comments with regard to the need to add detail to the document and clarify several points in order that the review could be transparent, objective and robust.

40. There had also been remarks about the length of the process since it was no longer consistent with the Resolution approved in September 2015 which stated that the review should be finished by September 2016. The Members agreed on the need for the Strategic Review to remain in line with the timetable approved in the Resolution.

41. Finally, the Chairman reported that there had been a discussion regarding the financial implications of the Strategic Review on the budget for the year 2016/17 which the Finance and Administration Committee had decided to recommend for approval to the Council. The Secretariat had assured Members of the Working Group that carrying out the Strategic Review would be within the 2015/16 Budget. The implementation of the recommendations of the Strategic Review would most likely have financial implications which in the longer term would need to be discussed in the future by the Finance and Administration Committee.

42. During the Council Session, one Member highlighted some of the important changes that had been made to the document, most notably additional paragraphs on the allocation of resources. However, the delegate asked the Secretariat to consider and subsequently indicate from where in the Programme of Activities the required funds would be found and as a consequence which activities would be cut in 2016/17. The Secretariat noted his concerns.

43. The Council approved the revised draft contained in document [WP-Council 266/16 Rev. 2](#).



**Item 11: Consultative Forum on Coffee Sector Finance**

44. The Core Group held its 9<sup>th</sup> meeting on Thursday 10 March 2016. The main topic of discussion was the 6<sup>th</sup> Consultative Forum on Coffee Sector Finance to be held in London in September 2016. After a brief overview of the previous five Forums provided by the Executive Director, the Chairman of the Core Group outlined a proposal for the 6<sup>th</sup> Forum.

45. Given the new challenges that coffee producing countries are facing, particularly those related to achieve a sustainable coffee sector, he suggested that the Forum should focus on the pillar of sustainability that is often overlooked, that of 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, this should be perceived as a business challenge.

46. With this in mind, and having consulted with other Members, the Chairman suggested that during the 6<sup>th</sup> Forum, representatives of coffee growers together with representatives from the private and public sector could find common ground for achieving economic sustainability. He also pointed out that it could be of particular interest to involve coffee traders, roasters and coffee retailers, as they have the possibility to effect change in order to make the coffee sector viable in the long run. The Chairman highlighted that new solutions are needed for new challenges and these can be found by turning to dynamic, creative methods that are currently being developed. He cited initiatives to unlock private capital flows as an example of such methods.

47. With regard to the Forum's format, it was decided that the day should 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 simultaneous roundtables during which face to face dialogues could take place for producers to discuss with the private sector concrete steps for moving forward.

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

49. The Chairman announced that the Forum would be held in London at the time of the 117<sup>th</sup> Council Session from 19 to 23 September 2016. During this week the Core Group would also hold its next meeting. The Chairman promised that further details of the Forum would be widely distributed in due course.

50. The Council took note of the Chairman's report and approved his proposal for the 6<sup>th</sup> Consultative Forum.

**Item 11.1: Advisors to the Core Group**

51. The Council appointed the following advisors to the Core Group:
- Ms Noemí Pérez, Finance Alliance for Sustainable Trade (FAST)
  - Mr Roy Parizat, World Bank
  - Mr Silas Brasileiro, National Coffee Council, Brazil
  - Mr Nicolás Tamari, Sucafina

**Item 12: Reports by the Chairmen of ICO bodies**

**Item 12.1: Private Sector Consultative Board**

52. The Private Sector Consultative Board (PSCB) met for its 42<sup>nd</sup> meeting on Thursday 10 March 2016.<sup>3</sup> As neither the Chairman nor Vice-Chairman were able to attend, the Executive Director chaired the meeting on their behalf.

53. The Board briefly discussed the results of the first International Coffee Day, launched on 1 October 2015, and also the initial plans for the 2016 campaign. Some Members expressed their interest in helping the Secretariat prepare for the next International Coffee Day. The Executive Director thanked the representatives of the PSCB for their support and said that the Secretariat looked forward to working with Members over the next six months to prepare for the day.

54. The Executive Director reported that the Board had heard a very interesting presentation from the representative of the Specialty Coffee Association of America (SCAA) on its new Coffee Taster's Flavour Wheel, developed in collaboration with World Coffee Research. The Coffee Taster's Flavour Wheel is based on a sensory lexicon developed by the coffee industry with experts in sensory science, and is designed to be easily accessible to coffee tasters and cuppers. The Executive Director encouraged all Members to explore the Flavour Wheel further on the SCAA website.

55. The representative of the Coffee Association of China expressed the Association's desire to increase participation between the ICO and China, and potentially to become a member of the PSCB in the near future. During the Council Session, the European Union offered to nominate the Association. The Secretariat welcomed this but requested that the nomination be made in writing in time for the next Council Session.

56. The Council took note of this report.

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<sup>3</sup> The report of this meeting was subsequently circulated as [PSCB-148/16](#).

**Item 12.2: Promotion and Market Development Committee**

57. The Promotion and Market Development Committee met for its 11<sup>th</sup> meeting on Thursday 10 March 2016.<sup>4</sup> After having adopted the draft Agenda contained in document [PM-47/15 Rev. 1](#), the Committee appointed Ms Vera Espíndola from Mexico as Chairperson and Ms Amy Diggs from the United States as Vice-Chair for coffee year 2015/16.

58. The Secretariat reported on the Memorandum of Understanding (MoU) signed with Oxfam last year to promote a fundraising campaign on the occasion of the first International Coffee Day (ICD) on 1 October 2015. It was noted that Oxfam reported that close to €3,000 was donated during the campaign. Unfortunately, the amount raised did not cover the costs that Oxfam incurred in the campaign, resulting in the decision of Oxfam's Board of Directors to discontinue the activity. The Secretariat suggested that for future International Coffee Day campaigns, the ICO should seek to engage with as many stakeholders as possible to promote the day.

59. The Executive Director reported on the outcome of the 1<sup>st</sup> Global Coffee Forum where over 500 participants from around the world gathered in Milan on 30 September and 1 October 2015 for two days of engaging presentations and debate. The main themes covered were coffee and pleasure, health, and sustainability. The Coffee Cluster inside Expo Milan 2015 was visited by 13 million people.

60. Finally, the Secretariat presented an outline of its plans for the 2016 campaign on International Coffee Day. The Chairperson reported to the Council that the Committee had decided that the 2016 campaign would be entitled 'For the love of coffee' and would involve an online campaign to encourage coffee lovers around the world to organise their own events to celebrate coffee and support causes that are important to them.

61. One Member of the Committee suggested that the Secretariat should organise an event for International Coffee Day in a city other than London to highlight the global aspect of the celebration. The Secretariat took note of the comment and assured the Committee that it would work with coffee associations to ensure that high-level ICD events were organised around the globe. The Chairman of the Council requested that any Member interested in submitting a proposal for International Coffee Day, taking into account the details outlined by the Chairman of the Committee, do so before 30 April 2016.

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<sup>4</sup> The report of this meeting was subsequently circulated as [PM-48/16](#).

**Item 12.3: Statistics Committee**

62. The Statistics Committee met for its 10<sup>th</sup> meeting on Wednesday, 9 March 2016. Mr Piotr Krawczyk of EU-Poland was elected as Chairman for coffee year 2015/16.<sup>5</sup>

63. The Chairman noted that the Committee had reviewed the matter of compliance with the Statistical Rules. Thirty-four importing Members representing 99.6% of average annual imports by all importing Members in the four coffee years 2011/12 to 2014/15 had been found to be fully compliant. The picture for producing Members was more mixed. If the data that was received late and outside the dates stipulated in the Rules were included, 91% of Members would be categorised as having almost full compliance or as having good compliance.

64. The Committee had been presented with the results of the Coffee Quality-Improvement Programme and had noted with satisfaction the Secretariat's plans to continue with the Statistics Roundtable. The Head of Operations had reported that the Secretariat intended to undertake further consultations with Members in order to agree the best course of action to improve the Organization's statistics. Once these consultations had been completed, the work of the Statistics Roundtable would be able to recommence. Members were encouraged to provide the Secretariat with any suggestions for how to reinvigorate the work of the Committee.

65. On the issue of conversion factors for soluble coffee, the Statistics Committee had decided, after some discussion, to recommend to the Council that the existing conversion factors for coffee be maintained at their current level for another three years.

66. One Member noted that statistics are of the highest relevance to the work of the ICO, and that as such it is a very important service that the Organization offers to the market. It was stressed that the Secretariat is always ready to assist Members with statistical compliance and willing to implement workshops for any interested Members in order to help with the preparation of statistical reports.

**Item 12.4: Projects Committee**

67. The Projects Committee held its 11<sup>th</sup> meeting on Wednesday 9 March.<sup>6</sup> After having adopted the draft Agenda, the Committee appointed Mr Primus Kimaryo of Tanzania as Chairman and Mr Conradin Rasi of Switzerland as Vice-Chairman for coffee year 2015/16.

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<sup>5</sup> The report of this meeting was subsequently circulated as [SC-65/16](#).

<sup>6</sup> The report of this meeting was subsequently circulated as [PJ-101/16](#).

68. The Chairman reported that the Chief Economist had introduced a project proposal contained in document [PJ-95/16](#) relating to empowering women and youth to participate in the coffee value chain in Uganda. He explained that the project aims to build the capacity of women and youth coffee farmer groups so that through the use of improved production technologies and marketing, better prices may be obtained. Following recommendations by the VSS and the Committee, the Council endorsed the project proposal.

69. The Chief Economist gave an update on three ongoing projects as detailed in the three Annexes of document [PJ-100/16](#).

70. The Executive Director outlined his plan to reinvigorate the projects dimension of the ICO's activity, notably through exploring new avenues for project financing and ensuring that the sustainability of the coffee sector remains a central focus.

71. The Head of Operations had given an update on Vision 2020 which the Committee had noted.<sup>7</sup> The Chief Economist had also given an update on the African Coffee Facility being developed by the African Development Bank.<sup>8</sup>

72. The Ambassador of Peru had informed the Committee about an outbreak of coffee leaf rust and invited the Secretariat to disseminate the successful experience of other countries in addressing the challenge. The Chief Economist informed the Committee that a project sponsored by the ICO and implemented by CABI in India and four African countries had provided useful materials that could be shared with Members. The Committee took note of this information and encouraged the Secretariat to disseminate widely relevant project outputs.

73. The Council took note of the Chairman's reports and endorsed the project proposal contained in document [PJ-95/16](#).

**Item 13: Coffee research**

74. The Executive Director gave a brief report on the Organization's participation as an observer at the 21<sup>st</sup> meeting of the Conference of the Parties (COP) to the United Nations Framework Convention on Climate Change held in Paris in December 2015. Highlights included the opportunity to address the ministries and dignitaries present at the High Level session during which he stressed the importance of coffee for the livelihoods of millions of people and the impact of climate change.

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<sup>7</sup> See Item 14 Cooperation with other agencies for more detail.

<sup>8</sup> *Ibid.*

75. The Executive Director also reported that the ICO had hosted a side event in the public area of the COP entitled 'Climate change and coffee'. Finally, the ICO participated in a session entitled 'The role of agro-ecology in exploring innovative, viable adaptation measures for resilient smallholder coffee' at the Global Landscapes Forum, the largest event to take place on the margins of the COP.

76. The Council took note of this report.

**Item 14: Cooperation with other agencies**

77. Under this item, the Head of Operations reported on both the ICO's cooperation with the 4C Association and IDH as part of the Vision 2020 public private partnership; and the joint educational programme with the Speciality Coffee Association of Europe (SCAE).

78. Before reporting on the progress made with Vision 2020 since the last Council Session, the Head of Operations drew Members' attention to an organisational change which would affect both of the ICO's MoU partners. She explained that as of 1 April 2016, the 4C Association and IDH's Sustainable Coffee Programme would merge into a new entity, the Global Coffee Platform. Through the merger, all rights and responsibilities related to the MoU will be transferred to the Global Coffee Platform. The Head of Operations welcomed the creation of the Global Coffee Platform which will be a strong institutional partner for the ICO.

79. Since September 2015, the Head of Operations reported that a number of activities had been carried out by the ICO together with the MoU partners under Vision 2020.

80. To gather support from stakeholders in the coffee sector, Vision 2020 had been introduced to a broader audience at key conferences, including the African Fine Coffees Association (AFCA) Conference in February 2016 and the 4<sup>th</sup> World Coffee Conference in Addis Ababa. Representatives from different countries were invited to share their experience with public-private partnerships for sustainability in the coffee sector. Stakeholder consultations revealed that there was a strong demand for sharing experiences with National Coffee Platforms and Coffee Strategies more widely through Vision 2020.

81. In order to reduce overlap between existing sustainability initiatives and programmes, avoid duplication, and increase efficiency in delivering results, a project was being carried out to map the various activities of both the private and public sector systematically. The results of the mapping would be made available to the public and should inform decision makers as well as the Vision 2020 process.

82. Progress had also been made on the specific work streams, for example, in the area of access to finance. In February, a Stakeholder Workshop was held in Dar es Salaam on

replanting and rehabilitating coffee plantations. This took place in partnership with IDH, the 4C Association and DEG and attracted representatives from the coffee sectors of Ethiopia, Tanzania and Uganda. The aim was to learn, share and shape approaches to long term investments in Restoration and Rehabilitation projects. The results of the workshop were presented to a wide audience at the AFCA Conference.

83. Specific next steps for the rest of coffee year 2015/16 would include further refining the global vision of a sustainable coffee sector through discussions with stakeholders in the sector; defining a progress framework to enable various existing sustainability programmes and initiatives to report their progress using common performance indicators; and advancing the work in the main thematic areas.

84. Members expressed their support for Vision 2020 and reiterated the need for greater synergy between the ICO's projects and this initiative, especially given the considerable number of strategic actions devoted to projects in the Programme of Activities.

85. The Head of Operations also reported on the third coffee education event that took place in December 2015 at the ICO's headquarters in collaboration with the Speciality Coffee Association of Europe (SCAE). The 'Coffee Session' was on how defects in green coffee occur and taste. She informed the Council that the number of participants had doubled compared with the first two events. Videos of all of the presentations are available on the ICO website.

86. The Executive Director reported on the Concept Note contained in document [PJ-97/16](#) to set up the African Coffee Facility; an initiative with the African Development Bank Group to support the African Coffee sector.

87. The development of the coffee sector in Africa faces a number of challenges as its economic transformation depends on modern agriculture characterised by increased productivity and value addition. Against this backdrop, various partners approached the African Development Bank, having discussed the idea at the ICO's 5<sup>th</sup> Consultative Forum, to request the creation of a coffee development fund known as the 'African Coffee Facility'.

88. Through this Facility the Bank intends to mobilise resources for sustainable solutions that will unlock the potential of the African coffee industry. The Bank is organising a workshop on 28 and 29 April at its headquarters in Abidjan to establish the design, terms and conditions of the Facility.

89. The Executive Director indicated that the contributions of the European Union will be included in the Concept Note before the workshop.

90. The Council took note of these reports.

**Item 15: National coffee policies**

91. Three Members gave presentations to the Council on their national coffee policies. The Technical Advisor to the Coffee and Cocoa Technical Council for Côte d'Ivoire, focused his presentation on the progress made in implementing the coffee tree renovation programme. The Vice-Minister of Development, Industry and Trade of Nicaragua informed the Council of the current state of coffee production in Nicaragua. Finally, the Executive Director of the Salvadorian Coffee Council highlighted the progress being made to implement policies to revive coffee production. All three presentations are available on the ICO's website.

**Item 16: Financial and administrative matters**

**Item 16.1: Finance and Administration Committee**

92. The Finance and Administration Committee held its 19<sup>th</sup> meeting on 9, 10 and 11 March 2016. Ms Amy Diggs of the USA was elected Chairperson and Mr Felipe Robayo of Colombia as Vice-Chairman.<sup>9</sup>

93. The Chairperson reported on the financial situation at 31 January 2016 (document [FA-115/16](#)). Additional revenue is above budgeted contributions by £45,770, due to the Democratic Republic of the Congo and Peru joining the Organization. The net result at the end of January was an overall surplus of £98,800 above what was expected from the Budget.

94. The draft Administrative Budget contained in document [FA-119/16](#) had been presented to the Committee by the Head of Finance and Administration. An increase of 3.5% was attributed to personnel costs, relocation of the ICO's premises and additional meeting costs due to the Organization losing its own conference facilities after relocation of the Secretariat. However, savings were proposed in other areas and the net result of these proposals was that the proposed contribution for 2016/17 would remain unchanged at £1,471, generating a surplus for the year of £22,000. It was also reported that the Reserve Fund had been replenished to its level prior to the refurbishment works carried out in 2012. The Council approved the draft Administrative Budget.

95. The Chairperson also reported that the Head of Finance and Administration had introduced document [FA-121/16](#) on outstanding contributions. Having discussed various options, the Committee agreed that in order to address the problem of late payment of contributions, the spring Session of the Council should be moved from March to April starting with the spring Session in April 2018. This would result in the 31 March deadline for paying contributions having expired by the time of the meetings and Members therefore having their voting rights withdrawn thus providing Members with an incentive to pay promptly. The Council approved this recommendation.

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<sup>9</sup> The report of this meeting was subsequently circulated as FA-128/16.



96. Following the Committee's request in September 2015 the Secretariat had informed the Committee that it was undertaking a tender process for the appointment of auditors relating to the audit in the financial year 2015/16, the results of which would be presented at the Committee's next meeting.

97. The Committee had also reviewed documents [FA-123/16](#) relating to salaries and Provident Fund contributions for General Services staff and [FA-124/16](#) relating to Professional staff. Following the Committee's recommendation the Council approved both documents.

98. The Chairperson noted that a final report on the Staff Regulations and Staff Rules by the consultant employed by the European Union, who very kindly funded this report, was presented to the Committee. After considerable discussion the Committee agreed that Members should submit their comments to the Secretariat before the end of May. In this timeframe the ICO staff and the Executive Director would also review the report. If deemed necessary, a Working Group would be set up to review the proposed changes. The European Union had encouraged the Secretariat to review and decide on proposals to be submitted to the Council in September for its consideration and approval.

99. The Committee considered [FA-126/16](#), guidelines for the establishment of partnerships between the ICO and other entities. Following the Committee's recommendation, the Council approved the document as a basis for the preparation of a more detailed overview of the design and execution of future partnerships.

100. The Chairperson reported that the Committee had agreed to the Executive Director's request that the Head of Finance and Administration's date of retirement be deferred to early 2017.

**Item 16.2: Administrative Accounts of the Organization for the financial year 2014/15 and Report of the Auditors**

101. The Chairman noted that the Committee had examined the Administrative Accounts of the Organization and the Report of the Auditors (document [FA-116/16](#)), the audited accounts of the Special Fund (document [FA-117/16](#)) and the unaudited accounts of the Promotion Fund (document [FA-118/16](#)).

102. Following the Committee's recommendation the Council approved the audited accounts contained in documents [FA-116/16](#) and [FA-117/16](#).

**Item 16.3: Premises**

103. The Chairperson reported that the Head of Finance and Administration had informed the Committee that, in exchange for the ICO undertaking to vacate the premises, the landlord

would forego his right to dilapidations. It was felt that the Secretariat should mitigate any liability to dilapidations as it is expected that these costs could be in excess of £400,000. The landlord had also offered the Organization the possibility of signing a new lease on a very short-term basis.

104. The Committee had noted the Head of Finance and Administration's concern that the commercial property market in London continues to rise with limited availability in central London, rendering it unaffordable given the ICO's planned budget of circa £30 per square foot. Consequently, the Organization would have to move outside central London and some staff attrition might be expected.

105. The Executive Director and members of the Secretariat continue to investigate the options available to the Organization. It was agreed that the Secretariat would keep the Committee informed of any further progress and would report to the Committee in September.

**Item 16.4: Contract of the Executive Director**

106. The Chairperson reported on the Executive Director's contract which is due to expire on 30 September 2016. A discussion had ensued both in the Committee meeting and in the Council Session but no consensus could be reached on the appropriate course of action after its expiry. Nevertheless, the Council agreed with the suggestion that the Committee should have an intersessional meeting prior to the 117<sup>th</sup> Council Session with an aim of finding a satisfactory resolution as soon as possible. Members expressed their concern that the uncertainty regarding the appointment of an Executive Director could have a negative impact on the ICO's activities, including the Strategic Review and premises.

107. In addition to reiterating his full support for the renewal of the Executive Director's contract, the Ambassador of Brazil thanked the following countries for also supporting the contract's renewal: Bolivia, Colombia, India, Indonesia, Japan, Mexico, the Russian Federation, Switzerland, Uganda and the United States. He also thanked the following Members who are not currently on the Finance and Administration Committee but who had added their voice to those in favour of the renewal: Côte d'Ivoire on behalf of the African group, El Salvador, Nicaragua, Peru and Papua New Guinea.

**Item 17: Special Fund**

108. It was noted that progress had been made on this topic but that the producers had not yet approved the draft Resolution contained in document [WP-Council 267/16](#) and consequently were not ready for the Fund to be distributed. The producers decided to postpone the matter until September 2016.

**Item 18: Other business**

109. One Member informed the Council that the World Health Organization (WHO) would be holding the 116<sup>th</sup> Monograph Meeting on the theme 'Coffee and other hot beverages' in May 2016. The deadline for submission of relevant studies for coffee carcinogenicity analysis, including epidemiological studies and bioassays, was 22 April 2016. He suggested that the Secretariat be instructed to compile relevant studies and other information about the relationship between coffee and health, especially on the issue of carcinogenicity, including those already available at the ICO and others to be made available by Governments and institutions located in Member countries. The Secretariat should then remit the studies and data available to the WHO, in order to ensure balance and impartiality of results. The ICO should also seek to associate with universities and research institutions to encourage new studies on 'Coffee and Health'.

110. The representative of Côte d'Ivoire asked for the Council's approval of his Government's proposal to host a Session of the Council meetings in either September 2017 or April 2018. The Council approved the proposal and decided to keep the options open as to when exactly the Session in Côte d'Ivoire would be held.

**Item 19: Future meetings**

111. The next Council Session will take place in London, United Kingdom from Monday 19 to Friday 23 September. The 6<sup>th</sup> Consultative Forum will also be held at this time.