



Communication from the Executive Director

1. The Executive Director presents his compliments to Members of the Organization and wishes to inform them of his decision to terminate the contract of Mrs Marcela Urueña Gómez as Head of Operations on Friday, 16 December 2016. Dr Denis Seudieu, Chief Economist, will supervise the work of the Division on an interim basis.
2. The next meeting of the Working Group on Staff Regulations and Rules will take place on 17 January 2017 at 14:00. A draft Agenda for this meeting will follow shortly.
3. It is proposed that the next meeting of the Working Group on the Strategic Review could take place on the same day at 16:30 (subject to confirmation by the Chairman of the Working Group).
4. Annex I contains a progress report on the Strategic Review. Annex II contains a draft Agenda for the Strategic Review meeting: please send any suggestions or comments on the Agenda by 13 January 2017.
5. Annex III contains a summary report of the Statistics Roundtable which was held at the ICO on 23 November 2016. The next meeting will be held in the month of February 2017.
6. Annex IV contains comments received from Brazil on the Programme of Activities for 2016/17 (WG-19/16).
7. As decided by the Council at its 117th Session in September 2016, to assist the Council in considering this matter, any Member Government wishing to hold the next 5th World Coffee Conference in its territory is requested to submit a proposal for hosting the Conference in writing to the Executive Director by **15 February 2017**.

STRATEGIC REVIEW OF THE ICO PROGRESS REPORT

Background

1. At its 115th Session in September 2015 in Milan, Italy, the International Coffee Council adopted Resolution 457 which calls for a Strategic Review of the activities undertaken by the International Coffee Organization.
2. The purpose of the Strategic Review is to assess, in close consultation with Members of the Working Group, other Members of the ICO and the Secretariat, the strategic focus and priorities of the Organization and their implementation, to propose areas for improvement.
3. In coffee year 2015/16, the Secretariat carried out the first phase of the Strategic Review. The process was facilitated by SustainAbility, a consultancy, and comprised a broad desk study, a comprehensive multi-stakeholder consultation process and a comparison with other International Commodity Bodies based in London. The results of the first phase are contained in the report of the Strategic Review which includes recommendations on the strategic goals and priority actions to be implemented by the ICO to achieve its mission as set out in the International Coffee Agreement.
4. During its Session in September 2016, the Council approved the recommendations of the Strategic Review including specific strategic objectives. In line with the recommendations, the ICO should focus on:
 - a) Delivering world-class data, analysis and information to inform both policy makers and the industry
 - b) Using its convening power to provide a forum for dialogue between and within the public/private sectors, and
 - c) Facilitating development projects and programmes through public-private partnerships and other means.

Progress made during coffee year 2016/17

5. With the approval of the recommendations by the Council, the first phase (conceptual) has been concluded and the second phase commences (implementation). The objective of this phase is to identify and outline the steps necessary to enable the Organization to deliver on the objectives defined under the Strategic Review. The outcome of

the first year of the implementation phase will be a revised five-year Action Plan. This document will contain concrete activities, timelines and an estimate of budgetary requirements. The revised five-year Action Plan will be presented for approval by the Council at its 119th Session.

6. In view of the complexity and scope of tasks related to the implementation of the recommendations in coffee year 2016/17, the Secretariat has decided to carry out the work in three separate sub-strategies:

i. Data & analytics strategy

7. The aim of this strategy is to identify ways to improve the ICO's capacity in collection, analysis of data and dissemination of results. The Secretariat is currently reviewing processes for data collection in order to increase the quality of raw data received. To this end, on 10 November a workshop with a specialized consultancy was held at the ICO premises. Next steps include establishing which resources (skills, software, hardware) are required to increase the efficiency of data handling, and broaden the scope of economic analysis.

ii. Membership & third-party engagement strategy

8. The objective of this strategy is to identify concrete steps the Secretariat needs to undertake in order to increase the engagement of Members and third-parties with a view to strengthen the ICO as the forum for discussion of coffee matters between Members and with the private sector. A core activity, which is currently carried out, is the benchmarking of other membership organizations to identify best practices relevant to the ICO.

iii. Partnership for development projects and promotion strategy

9. The goal of this strategy is to lay out a roadmap in order to enable the ICO to partner effectively with other organizations and donors with a view to facilitate promotion and development projects and programmes. Specific actions currently carried out are defining the role of the ICO in the area of projects (e.g. raising the profile of the coffee sector vis-à-vis donors and supporting countries to draft proposals) and promotion of consumption, and a needs assessment to establish resource requirements.

10. The three strategies cover a planning horizon of five years. A broad timeline for the intended work as part of the Strategic Review in coffee year 2016/17 is presented below. The three sub-strategies are considered under Activity 1. The results of the sub-strategies (set of activities, timeline budget and KPIs) will provide the building blocks for the five-year Action Plan.

11. It is envisaged that the work on the sub-strategies will be completed by March 2017. This will enable the Working Group to discuss main outcomes during the 118th Session of the Council and provide guidance to support the future work of the Secretariat.

12. It is suggested that a draft of the five-year Action Plan to the Working Group is presented during a meeting in June 2017. After incorporating feedback from Members, a final document will be presented to the Working Group for endorsement prior to the 119th Session of the Council where final approval is envisaged.

Timeline Strategic Review of the ICO (Coffee Year 2016/17)

Activity	October	November	December	January	February	March	April	May	June	July	August	September
1. Developing 3 sub-strategies ("Data & Analytics"; "Membership & third-party engagement"; "Partnerships for promotion and project") to inform development of 5 year Action Plan (<i>Output: Proposed set of activities including timeline, budget, KPIs</i>)												
2. Drafting 5 year Action Plan (<i>Output: Draft document including activities, timeline, budget, KPIs</i>)												
3. Incorporating comments and to finalise 5 year Action Plan (<i>Output: Document including activities, timeline, budget, KPIs</i>)												
4. Incorporating comments into 5 year action plan to be presented for Council approval at the 119th Session (<i>Output: Final document</i>)												
Progress report presented during meetings of the Working Group (verbal)				X		X			X			X



Working Group on the Strategic Review of the ICO
8th Meeting
17 January 2017
London, United Kingdom

Draft Agenda

Item	Document
1. Draft Agenda – <i>to adopt</i>	WG-18/16
2. Report of the meeting of the Working Group on the Strategic Review of the ICO held on 19 September 2016 – <i>to approve</i>	WG-17/16
3. Update on the Strategic Review – <i>to consider</i>	verbal
4. Programme of activities 2016/17 – <i>to consider</i>	WP-Council 265/16 Rev. 4 WG-19/16
Document WG-19/16 contains comments received from Brazil on the Programme of Activities for 2016/17.	
5. Other business – <i>to consider</i>	verbal

REPORT OF THE STATISTICS ROUNDTABLE
23 NOVEMBER 2016

I. Background

The ICO Statistics Roundtable was set up in May 2013 with expert analysts in the coffee sector to examine coffee statistics, and was formalised by the Council in March 2014. It has so far had eight meetings, meeting quarterly, with the last one in February 2015. It was formed with the aim of improving the ICO's statistics, making them a benchmark for the international coffee community, following a similar exercise conducted at the International Cocoa Organization (ICCO).

II. Summary of the meeting

The ICO Statistics Roundtable met on 23 November 2016 at 14:30, with seven experts from the coffee sector. The agenda was to discuss coffee statistics for the top six producing countries: Brazil, Vietnam, Colombia, Indonesia, Ethiopia and India.

Participants were sent a template of data required for the meeting (production, consumption, imports, exports and stocks for the last ten crop years) and asked to submit their own numbers. These figures were then summarised and shared anonymously before the meeting.

During the meeting, it was agreed that the most important series to focus on would be net exports. This is also where the ICO can add the most value by providing reliable data.

The group discussed the main differences and inconsistencies between the ICO and the experts' numbers. The results of this discussion are considered confidential within the meeting, but will be incorporated by the Secretariat when putting together the next revision of the Quarterly Statistical Bulletin of the ICO for January 2017.

The next meeting of the Statistics Roundtable was scheduled for Wednesday, 8 February at 14:30. At this meeting the admission of new members of the Experts Roundtable will also be discussed. In advance of this meeting, the Secretariat will release its updated Supply and Demand balance, and request similar figures on flowsheets for Central America for discussion at the meeting.

Working Group on the Strategic Review of the ICO
8th Meeting
17 January 2017
London, United Kingdom

**Comments received from Brazil on the
Programme of Activities for the Organization
for 2016/17 (document WP-Council 265/16
Rev. 4)**

General comment: The Programme of Activities should be enriched by more details. The points below are the main examples of that, but there are other elements of the ICO's intentions that could be better illustrated by going into the detail of the actions.

Goal 1, Objective 1, Action Step 4: Details about Statistics Roundtable: Who are the participants? When were the last meetings? Who are the statistical experts?

ICO Reply: The Statistics Roundtable is attended by ICO staff and statistical experts who have been advising the Secretariat. The Statistics Roundtable was formalised by the Council in March 2014 and was supposed to meet on a quarterly basis. However, the last meeting took place on 23 November 2016 following consultations with Members to ensure that everyone agreed on the way forward.

Goal 1, Objective 1, Action Step 5: Topics covered by the studies? This would allow Members to make their choices of relevant topics. Could Members be presented with a choice of two out of four studies?

ICO Reply: the Secretariat will prepare the following Studies in coffee year 2016/17:

- ❖ **Assessing the economic sustainability of coffee growing** (revised version of document [ICC-117-6](#));
- ❖ **The impact of coffee price volatility**
The Secretariat has chosen these 2 studies against the background of the current debates about coffee growing challenges. For coffee year 2017/18 it is recommended that Members will be asked to suggest topics for future studies, but the Secretariat will continue to address topical issues in the coffee sector.

Unfortunately, it will not be possible for the Secretariat to undertake more than the above mentioned two studies due to all the work that needs to be accomplished in order to prepare the three strategies outlined in the Programme of Activities 2016/17. However, the

Secretariat thanks Brazil for its comments on this matter and will endeavour to include a choice of studies for Members' consideration in all future Programmes of Activities starting coffee year 2017/18.

Goal 1, Objective 2, column of potential challenges, costs involved in "Obtaining outside expertise on collection, analysis and dissemination systems". More details are required. What type of outside expertise? Who is being considered?

ICO Reply: As part of the strategic review process, the Secretariat will produce three separate strategies. The Data Strategy has a strong technical component, which, in the view of the Secretariat, may require assistance from specialised consultants. It is likely that the costs of engaging this consultant to assist the Secretariat with specific tasks will be covered from within the normal operations budget of the Programme of Activities for coffee year 2016/17.

Goal 2, Objective 1, Action Step 4 & 5: Where are the seminars going to be held? More details are required. When? Where? Who is participating from the ICO and other organisations?

ICO Reply on Action Step 4: Similar seminars on Rules on Statistics were held in the past in Ghana (2009), Vietnam (2010) and Kenya (2011). However, in line with the Programme of Activities, the Secretariat will be conducting a Seminar on compliance with the ICO's Rules of Statistics during the 118th Session in London and the 119th Session in Côte d'Ivoire open to all designated statistical contacts. The seminar in Côte d'Ivoire will focus on statistical compliance in African countries.

ICO Reply on Action Step 5: Coffee Sessions in collaboration with SCAE are organised in-house. The Secretariat sends an email to inform Members of this event.

Goal 2, Objective 1, Action Step 6: Details about the missions? Where are these missions going to be? What is the objective of each mission?

ICO Reply: Regular missions are carried out by the Executive Director or staff members to Member countries. These missions can either follow an invitation from the Member country, or be planned by the Secretariat in the light of operational requirements.

Goal 2, Objective 1, Action Step 9: 'National and world coffee events'. Details of these events and national coffee institutions involved? This would allow necessary preparations. When? Where? Who participates?

ICO Reply: Coffee related events take place in a number of Member and non-member countries. For example, these can be meetings of coffee associations (NCA, WCLF) or other industry events. When invited to participate, the Executive Director may attend or send a senior staff member. Participation can be either upon invitation or when identified by the Secretariat as operationally relevant. These events are not normally known early in advance and the ICO's participation is in line with the normal operating budget. The Executive Director uses this opportunity to advocate the relevance of the ICO and confirm the support of the Organization to its Member countries.

The Secretariat may also attend as observer the meetings of potential donor institutions, including UNCTAD, the Common Fund for Commodities (CFC), The World Bank, African Development Bank Group (AfDB), Asia Development Bank (ADB), Inter-American Development Bank (IADB).