

SC 97/19

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Report of the 17th meeting of the Statistics Committee held on 25 September 2019

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1. The Statistics Committee held its 17th meeting in London, United Kingdom, on 25 September 2019. In the absence of the Chair and Vice-Chair, the meeting was chaired by the Executive Director.

Item 1: Adoption of the Agenda

2. The Committee adopted the draft Agenda contained in document <u>SC-94/19 Rev. 1</u>.

Item 2: Appointment of the Chair for 2018/19

- 3. The Executive Director noted that in the absence of the Chair and Vice-Chair, ICO practice was for the Committee to select a Chair from among the Members present or to appoint the Executive Director to chair the meeting.
- 4. The Committee approved a motion to appoint the Executive Director to chair the meeting.

Item 3: Report on the meeting of 27 March 2019

5. The Committee approved the report of the 16th meeting held on 27 March 2019, contained in document <u>SC-93/19</u>.

Item 4: Article 2 of the 2007 Agreement: Conversion factors for roasted, decaffeinated, liquid and soluble coffee

- 6. The Chief of the Statistics Section stated that, in accordance with the provisions of Article 2 of the International Coffee Agreement 2007, the Secretariat periodically reviewed the conversion factors for roasted, decaffeinated, liquid and soluble coffee. The conversion factors referred to a range of ratios used to convert coffee volume data to their green bean equivalent, which allowed for harmonization of non-standardized data and comparisons of trade volumes across countries.
- 7. The Chief of the Statistics Section reported that the Secretariat developed and distributed a survey, contained in document ED-2306/19, to collect feedback on the existing conversion factors. Responses to the survey were represented by the following countries: Belgium, Brazil, Burundi, China, Costa Rica, El Salvador, Germany, India, Japan, Nicaragua, Norway and the United Kingdom. The 14 respondents included four representatives of ICO Members, seven coffee industry associations and three private sector companies.

- 8. The Chief of the Statistics Section reported that the analysis of the survey responses demonstrated that the majority of respondents recommended continuing to apply the existing conversion factors for the different forms of coffee, and that there was no clear consensus for alternative conversion factors among the respondents who recommended changes. She noted that the Secretariat was capable of applying country-specific conversion factors by form, if notified by Members.
- 9. The Committee recommended for approval by Council to retain the existing conversion factors.

Item 5: Call for experts on sustainability indicators for the Delta Project

- 10. The Chief of the Statistics Section noted that the International Coffee Council, during its 121st Session, had approved the establishment of a working group to support and monitor the implementation of the Delta Project on Bridging the Gap of Measuring Sustainability Performance. The Delta Project had been initiated as a collaborative project between the public and the private sectors in both coffee and cotton.
- 11. The Chief of the Statistics Section informed that the objective of the Delta Project was to develop a commonly agreed sustainability performance measurement and reporting framework for the agricultural component of the value chain. The framework would include a set of outcome and output indicators that would measure sustainability and track the implementation of Sustainable Development Goals (SDG) commitments by the public and private sectors across different agricultural commodities. She explained that this framework was not intended to cover the entire value chain but instead, would harmonize reporting on sustainability at the farm level.
- 12. The Chief of the Statistics Section reported that an expert group had researched different sustainability programmes across cotton and coffee to find common areas as well as cross-referencing with the SDGs in order to come up with the proposed set of indicators found in Table 1 of document <u>SC-95/19</u>. The proposed indicators covered 15 impact focus areas across the three pillars of sustainability (environmental, economic, and social).
- 13. Members were informed that the Working Group would hold a workshop to discuss the proposed set of indicators on 7 November 2019 in order to finalize the draft set of indicators and that Members should nominate experts in sustainability to the Working Group. Members should submit nominations by 17 October 2019 by emailing the names, titles, organizations, and contact details of the nominees to stats@ico.org. By the end of October 2019, documents related to the Delta Project, including the methodology for the proposed set of indicators, would be circulated to members of the Working Group.

- 14. An observer from the Sustainable Coffee Challenge asked about the implementation of these indicators once the framework was created and approved.
- 15. The Chief of Statistics stated that once a final draft set had been decided, they would be field tested to ensure they were reasonable. Then, the draft set would be finalised, taking into account findings from field test, to be submitted for approval by all parties. Countries could then implement the same framework to measure and report on progress on sustainability goals across several agricultural commodities.
- 16. A delegate noted that sustainability was a widely-discussed topic, which would allow the ICO to use existing indicators for its own framework. Given the amount of resources required to gather data, efforts should focus on a small set of vital indicators rather than an all-encompassing list. He asked for clarification on the qualifications for experts to be recommended to the Working Group.
- 17. The Chief of Statistics stated that there were no detailed qualifications for the nominated experts, but they would need to be capable of discussing in detail the proposed sustainability measurements and that they would represent Members' views on sustainability in the coffee sector.
- 18. The Head of Operations emphasized that the goal of the Delta Project was to align indicators across commodities with the SDGs, rather than creating new indicators. He also noted the importance of having a clear framework in place given the commitment from the private sector to sustainability of the coffee sector described in the London Declaration.
- 19. The Executive Director encouraged all Members to nominate experts in order to ensure that the resulting framework took into account the different regions and backgrounds.
- 20. A delegate suggested that, once information on sustainability across countries had been collected through this framework, the results of this exercise should be part of the dialogue with the private sector to help prioritize where sustainably produced coffee could be sourced.

Item 6: Update on the ICO statistical Database

21. The Head of Operations reminded Members of the urgent need to upgrade the database and stated that the Secretariat had received five proposals covering companies located in India, Papua New Guinea, the United Kingdom, and a consortium in Cuba, Spain, and the United Kingdom. The Secretariat had used procurement procedures applicable in a

multilateral environment. The technical proposals had been analysed by the Secretariat, with three of the five companies meeting the technical requirements enumerated in the terms of reference. Analysis of the financial proposals was being finalized. The final decision would be made by the end of September 2019 in order to use the funds allocated from the 2018/19 Programme of Activities.

22. The Committee took note of the report.

Item 7: Other business

23. The Committee noted that Angola and Timor-Leste had paid in full their arrears and current contributions for coffee year 2018/19.

Item 8: Date of next meeting

24. The Committee noted that the next meeting of the Statistics Committee would take place in London, United Kingdom, during the week of the 126th Council Session.