



Small High-level Working Group on the Budget

1st Meeting

28 September 2020

London, United Kingdom

Draft Terms of Reference

1. During its 127th Session, the International Coffee Council decided to establish a Working Group with the mandate of examining budget-related issues and to submitting recommendations to the Council.
2. The Council adopted a proposal (attached) put forward by its Chair with regard to the Terms of Reference of the Working Group.
3. The Working Group will be chaired by the Chair of Council, Mr Iman Pambagyo, of Indonesia.
4. As communicated by the spokespersons of exporting and importing Members, the composition of the Working Group shall be as follows:
 - ❖ **Exporting Members:** Colombia, Côte d'Ivoire, Honduras, Indonesia, Kenya, Papua New Guinea, Togo and Viet Nam.
 - ❖ **Importing Members:** European Union, Japan, Russian Federation and Switzerland, with Norway as alternate.
 - ❖ In addition, the Chair and Vice Chair of the Finance and Administration Committee will also participate.

**Draft Terms of Reference proposed by the Chair of ICO Council (Indonesia)
for the Small, High-Level Working Group (SHLWG)**

In response to some suggestions at the 127th Session of the ICO Council, Indonesia is willing to chair the WG to facilitate agreements on some budget-related issues that were discussed at the 127th Session of the ICO Council. It is Indonesia's view that the role of the Chair of the WG should be based on some understandings as follows:

1. Membership of the WG shall be limited in number to allow it to work expeditiously within the limited available time. In addition to Indonesia as the Chair of the Council until the end of September 2020, the WG should consist of the following:
 - 8 countries representing exporting Members from Latin America, Central America, Caribbean and Mexico, Africa, and Asia & the Pacific, to be decided and proposed by the spokesperson of exporting Members.
 - Representatives from coffee-exporting countries above should include ICO Member(s) who proposed the reduction of annual contribution.
 - 4 Members representing importing Members who are to be decided and proposed by the spokesperson of importing Members.
 - Chair and Vice-Chair of Finance and Administration Committee (2).
2. The nominations by exporting and importing Members shall be communicated as soon as possible, preferably by 18 September, so as to start the process urgently.
3. Members of the WG shall conduct meetings in a constructive and positive way toward the settlement of issues at hand; reiteration of well-known positions should be avoided.
4. The tasks/agenda to be completed by the WG shall be confined to budgetary and related issues. Based on discussions during the 127th Session of ICO, these issues are:
 - Different scenarios for budget reduction.
 - Draft ICO budget for coffee year 2020/2021.
 - Proposal to cut members' financial contribution for 2020/2021 budget onward which meet the criteria of fair and reasonable and still allows the organization to perform fully its core functions.

5. Members of the WG shall be solution-centric. Insisting on one's position without offering a solution which is acceptable to all members should be avoided.
6. Members of the WG shall observe time discipline of the meetings due to different time zones involved. As such, discussions should be focused, interventions should be short and confined to substantive issues, and members should exert necessary flexibility to converge instead of holding on to positions without offering solutions.
7. The Group shall normally meet online.
8. The working language for the Group will be English, due to the severe financial constraints under which the Organization is working.
9. The WG shall present its report to the ICO Council in October 2020 on the outcomes of its deliberations for approval by the Council.