



**INTERNATIONAL  
COFFEE  
ORGANIZATION**

**ED** 2351/20

23 October 2020  
English only

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**Communication received from Uganda  
and reply from the Chair of the  
International Coffee Council**

The Executive Director presents his compliments and, for the information of Members, attaches a communication received from Uganda (Annex I) requesting the rescheduling of the Special Session of the International Coffee Council, currently scheduled for 28 October 2020. Annex II is the reply from the Chair of the International Coffee Council.

Our Ref : UCDA/ADM/13  
Date : 20<sup>th</sup> October 2020



## Uganda Coffee Development Authority

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H.E. Mr Iman Pambagyo  
Chairman, International Coffee Council  
222 Gray's Inn Road, London  
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**ENGLAND**

Your Excellency,

### **128<sup>TH</sup> SPECIAL SESSION OF THE INTERNATIONAL COFFEE COUNCIL**

I would like to draw your attention to the Financial Rules and Financial Regulations prescribed in document ICC 102-8 Rule 5: Preparation and Adaptation of the Administrative Budget which states: *The draft Administrative Budget, having been reviewed and, as appropriate, in the course of its deliberations amended by the Committee, shall then be sent by the Committee with its recommendations to the persons designated in accordance with Rule 7 of the Rules of the International Coffee Organisation (Rules of the ICO) to arrive at least 30 days before the session of the Council at which the Administrative Budget is to be approved.* The Rule makes no distinction of whether it is an ordinary or extraordinary session of the Council as administrative budget needs to arrive 30 days to members before the Council.

As you are aware, the Administrative Budget document FA 231/20 Rev. 4 was not approved by the Finance and Administrative Committee, for recommendation to the Council, at its last meeting. A small working group was appointed for a specific purpose only to review the proposal from members who had requested reductions of 50 percent in their contributions.

As former Chairman of the Finance and Administration Committee, I am very concerned that a revised Administrative Budget for the coffee year 2020/21 has not been sent to members according to the above Rule. Therefore, by holding the 128<sup>th</sup> Special Session of the International Coffee Council on 28 October 2020 we are in clear breach of the Financial Rules and Financial Regulations of the Organisation. In light of above, we would like the Council to be rescheduled accordingly.

Your Excellency,

I remain at your disposal.

  
Dr. Emmanuel Iyamulemye Niyibigira  
**MANAGING DIRECTOR**



22 October 2020

Dr Emmanuel Iyamulemye Niyibigira  
Managing Director  
Uganda Coffee Development Authority  
P.O. Box 7267  
Kampala  
Uganda

Dear Dr Iyamulemye,

I acknowledge receipt of your UCDA/ADM/13, dated 20 October 2020, regarding the 128<sup>th</sup> Session of the International Coffee Council. This communication requests that the Session be postponed, since the Council will be called upon to deliberate on a draft Administrative Budget that does not comply with Rule 5 of the Financial Rules and Financial Regulations (document ICC-102-8) of the International Coffee Organization, namely "The draft Administrative Budget, having been reviewed and, as appropriate, in the course of its deliberations amended by the Committee, shall then be sent by the Committee with its recommendation to the persons designated in accordance with Rule 7 of the Rules of the International Coffee Organization ('Rules of the ICO') to arrive at least 30 days before the session of the Council at which the Administrative Budget is to be approved."

In this regard, I note that the Council is the supreme decision-making body of the Organization, as set forth in paragraph 1 of Article 9 of the international Coffee Agreement (ICA) 2007: "All powers specifically conferred by this Agreement shall be vested in the Council, which shall perform the functions necessary to carry out the provisions of this Agreement."

Furthermore, paragraph 3 of the same Article establishes that: "The Council shall establish such rules and regulations, including its own rules of procedure and the financial and staff regulations of the Organization, as are necessary to carry out the provisions of this Agreement and are consistent therewith."

The Council acted under the provisions of this Article when approving the Financial Rules and Financial Regulations during its 102<sup>nd</sup> Session. Under the provisions of the same Article, the Council decided, during its 127<sup>th</sup> Session, to alter temporarily the procedures for the consideration of the budget by establishing a Small, High-Level Working Group (SHLWG). The Terms of Reference of the Working Group were duly approved by Council and are contained in document SHLWG-2/20. The decision was taken by consensus and was, therefore, supported by Uganda.

With regard to the responsibilities of the SHLWG, paragraph 4 of the Terms of Reference states that "The tasks/agenda to be completed by the WG shall be

confined to budgetary and related issues.” Contrary to your statement that the purpose of the SHLWG was “only to review the proposal from members who had requested reductions of 50 percent in their contributions,” the same paragraph 4 of the Terms of Reference specifically includes the “draft ICO budget for coffee year 2020/21” among the responsibilities of the Working Group.”

With regard to the procedures of the SHLWG, paragraph 9 of the Terms of Reference states that the Working Group “shall present its report to the ICO Council in October 2020 on the outcomes of its deliberations for approval by the Council”, without mention of any further involvement of the Finance and Administration Committee or the need to submit the draft Administrative Budget 30 days before the Council Session.

I also note that the Finance and Administration Committee, of which Uganda is a member, in its meeting held on 30 September 2020, received a full briefing on the status of the work of the SHLWG up to that date and acknowledged that “the mandate of the Small High-Level Working Group was to recommend to the Council an Administrative Budget for coffee year 2020/21.” (paragraph 15 of document FA-269/20)

With the above in mind, I am confident that the Council acted within its powers when establishing the Small, High-Level Working Group and superseding temporarily the Financial Rules and Financial Regulations of the Organization. Therefore, the submission of the draft Administrative Budget for coffee year 2020/21 in a shorter time interval than customary is in compliance with the provisions of the ICA 2007 and no reason exists to reschedule the meeting of the International Coffee Council.

Regards,



Iman Pambagyo  
Chair, International Coffee Council