



**Decisions Adopted**  
(271)

1. The Executive Board met in Guatemala City, Guatemala on 1 March 2010 and appointed Mr Rafael Jaén Tapiola of Spain as the temporary Chairman of the meeting, as the Chairperson was absent due to illness.

2. The Board congratulated the Government of Guatemala and the Guatemalan National Coffee Association (Anacafé) on the outstanding logistical organization and success of the World Coffee Conference from 26 to 28 February 2010 and also expressed its appreciation for the excellent arrangements which had been made for hosting its 271<sup>st</sup> meeting.

**Item 1: Adoption of the Agenda**

3. The Board adopted the draft Agenda contained in document EB-3968/09 Rev. 1 and took note of the schedule of meetings.

**Item 2: Votes in the Council and Executive Board  
for coffee year 2009/10**

4. The Board took note of the situation of outstanding payments affecting voting rights as at 12 February 2010 and of the redistribution of votes in the Council and Executive Board for coffee year 2009/10 contained in document EB-3966/09 Rev. 1.

**Item 3: Programme of activities for 2010/11**

5. The Head of Operations introduced document WP-Council 200/10 containing a draft programme of proposed activities in coffee year 2010/11 which had been prepared on the assumption that the 2007 Agreement would be in force during the next coffee year. The activities were based on the draft strategic action plan which would be considered by the Council during the week (document WP-Council 173/08 Rev. 4), and were subject to revision in the light of further changes to the plan. He drew the attention of Members to studies

proposed in Activity 7 and invited Members to suggest a topic for the seminar in 2010/11 (Activity 19), noting that climate change, germplasm, coffee sector finance and pests and diseases could be considered in this connection.

6. One Member made some general comments and specific proposals on Activities 3, 8, 20 and 22 which were subsequently circulated as document WP-Council 200/10 Add. 1. The general comments included the suggestion that the next ICO seminar should be devoted to sources of finance for coffee activities, financing of stocks, risk management and credit instruments. The results would assist the activities of the Consultative Forum on Coffee Sector Finance.

7. In discussions on this item, a number of points were raised, including the fact that the programme was based on the draft strategic action plan for the Organization under the ICA 2007 which had not yet been approved, and the ICA 2007 had not yet entered into force. The document also needed to be considered in the context of the Administrative Budget for 2010/11 which had not yet been approved. It was suggested that it would be useful to prepare a second version based on the 2001 Agreement in case it was still in force in September 2010. One option might be to identify activities relating to the ICA 2007 in brackets. Another delegate noted that activities with financial implications were not specifically linked to the 2007 Agreement. In the case of Activity 14, it was suggested that this should be linked to the terms of reference for the Consultative Forum, which were still to be approved by the Council. Activity 20 might need to be reworded in view of the importance of the three pillars of sustainability and in the light of the Conference conclusions. In the case of Activity 25, it could be useful to include action to strengthen the Promotion Fund to promote coffee consumption in China in view of the importance of this market. Another delegate noted that while promotion activities were valuable, securing sufficient supplies of coffee was an important challenge to be addressed and the increasing importance of certification had been highlighted during the Conference. Several delegates commented that with respect to Activity 18, the ICO should not have a role as Project Executing Agency (PEA), but maintain its role as Supervisory Body and ownership of projects should remain with the countries that submitted projects. The Board noted that this role had already been approved as part of the Organization's outline plan of action for 2001–2006 (document EB-3767/01 Rev. 2) and had been included as an option of last resort, in the event that a suitable PEA could not be found for activities such as feasibility studies. The point was also made that substantial elements arising from the World Coffee Conference would need to be reflected in the programme. The conclusions of the Conference would need to be prepared and consideration given to reflecting them in ICO activities. It was suggested that for both the programme and the strategic action plan, the ICO should consider the proposal made during the Conference to collect gender-specific statistics on the coffee value chain, an activity which was being developed by the United Nations Conference on Trade and Development (UNCTAD) and the International Trade Centre (ITC). Another delegate commented that as much of the world's production involved smallholder families, it would be difficult to gather statistics by gender.

8. The Executive Director noted that the first step would be to report to the Council on the Conference and the conclusions could be taken into account at the next meeting. Regarding the question of women in coffee, the ICO depended on Members for data on coffee production, and consuming countries would also need to consider providing data on the coffee sector in their countries by gender. The purpose of such statistics should be clear as resources would be required to collect them. The draft programme had been submitted for preliminary comments at this meeting and it would be analysed in more detail in September 2010, by which time the draft Administrative Budget would have been considered. The ICO was in transition between two Agreements and had to be ready to implement the ICA 2007 which could enter into force at any time. Many actions in the programme simply involved the continuation of activities provided for in both the current and the future Agreements.

9. The Board took note of this information and further noted the programme would need to be reviewed in the light of the conclusions of the Conference and updated to include additional elements. It would be revised to reflect comments made during this meeting and considered again by the Board and Council in September 2010. Members were requested to send further comments and proposals on the programme in writing to the Executive Director.

**Item 4: Coffee development projects**

**Item 4.1: Projects under consideration by the ICO**

10. The Head of Operations introduced document EB-3973/10 containing the report of the Virtual Screening Committee (VSC) on one revised and two new proposals to be considered by Members.

*Smallholder coffee expansion in Malawi (new)*

11. The Head of Operations said that document WP-Board 1060/10 contained a concept note and had been submitted by the Coffee Association of Malawi for technical evaluation by the VSC prior to further development as a full project proposal. The VSC had considered the proposal and had recommended that it should be revised. The idea of submitting a concept note had been put forward by the VSC as in some cases countries had limited resources, and a concept note could facilitate the process of developing a full proposal. The Board took note of this information and decided to recommend that the proposal should be revised taking into consideration the suggestions of the VSC.

*Promotion of domestic coffee marketing and consumption  
in the Central African Republic (new)*

12. The Head of Operations said that the proposal contained in document WP-Board 1061/10 had been submitted by the InterAfrican Coffee Organisation on behalf of the Central African Republic. The VSC had considered the proposal and had been split on revision or rejection. The Board took note of this information and decided to recommend that the proposal should be revised to reflect the comments of the VSC.

*Enhancing the potential of Robusta gourmet coffee production in Uganda and Tanzania (revised)*

13. The Head of Operations said that this proposal had been submitted by the *Istituto Agronomico per l'Oltremare* (IAO) of the Italian Ministry of Foreign Affairs (MAE), with the support of the Government of Uganda (see document WP-Board 1059/09 Rev. 1). It built on the lessons learned during the pilot project currently being implemented in Central America entitled 'Enhancing the potential of gourmet coffee production in Central American countries' (CFC/ICO/39). In September 2009, the Board and Council had recommended that the project should be revised to include other countries in the region. It had subsequently been revised to include Tanzania. The VSC had considered the proposal again in February 2010 and had been split on whether to recommend it for approval or revision. With respect to a question about the inclusion of Angola in the project, the Board noted Angola had expressed interest in the project but had not been proactive in providing information to revise the proposal. The Board took note of this information and decided to recommend to the Council that the proposal should be revised to reflect the comments of the VSC.

14. In discussions on this item, it was suggested that it would be useful to have a more standardized approach for concept notes for projects. The Board also expressed its great appreciation to the Virtual Screening Committee for its excellent work in providing guidance on coffee development projects and for the detailed and valuable comments contained in its report on the projects under consideration. Finally the Board noted that new and revised project proposals for consideration in September 2010 should reach the Executive Director by **25 June 2010**.

**Item 4.2: Projects under consideration by the Common Fund for Commodities (CFC)**

15. The Head of Operations said that the CFC Project Appraisal Committee (PAC) and Consultative Committee had considered the project entitled 'Improving coffee quality in Eastern and Central Africa: Scaling up of enhanced processing practices in Ethiopia and Rwanda' at its meeting in January 2010 and had recommended that it should be approved by the CFC Executive Board in April 2010. The CFC Consultative Committee would consider two project proposals in July 2010: 'Coffee genetic resources conservation and sustainable use: global perspective', submitted by the InterAfrican Coffee Organisation, and 'Raising income security of smallholder coffee farmers in Malawi and Tanzania through sustainable commodity diversification'. In the case of the latter proposal, the CFC had appointed a consultant to prepare the full proposal.

16. With regard to the 'Study of the potential for commodity exchanges and other forms of market-places in West Africa', the CFC PAC had suggested in July 2009 that the proponents should study CFC documents on this topic and consider the experiences of all

participating countries. A technical meeting with countries concerned would take place during the week. With respect to the project entitled ‘Qualitative and quantitative rehabilitation of coffee with the aims of improving living conditions of coffee farmers afflicted and displaced by war and their restoration to their areas of origin as well as the protection of their biophysical environment in the Democratic Republic of Congo’, the CFC PAC had decided in December 2009 that it would consider this proposal once this country had completed membership procedures for the CFC. In the case of the ‘Raising Vietnamese coffee farmers’ income through increased farming efficiency and quality management’ project, the ICO had written to Vietnam to urge it consider membership of the CFC, which was required to secure funding from that institution. With respect to the ‘Integrated management of the CBB with a quality and sustainability component for coffee-growing in Central America’ project, the impact evaluation report had been published (see Executive Summary ICC-103-4 Rev. 1) and proponents had been invited to revise the proposal accordingly, together with the proponents for the project submitted by Indonesia.

17. Finally, the Head of Operations reported that the Executive Director had made a presentation on international commodity governance and the role of International Commodity Bodies (ICBs) at the CFC 20<sup>th</sup> Anniversary Seminar on 14 December 2009, a copy of which was available on the home-page of the ICO website. CFC/ICO project materials had been exhibited during the Seminar and also during the World Coffee Conference, providing an excellent opportunity to see the results of concluded projects and preliminary results of projects currently being implemented. The Board took note of the progress report on projects contained in document EB-3972/10 and of reports under this item.

**Item 4.3: International Coffee Genome Network (ICGN)**

18. The Executive Director said that the ICGN was an informal group of scientists working on the sequencing of the coffee genome which had practical applications for improving quality and resistance to pests and diseases. The ICGN had made a presentation to the Executive Board in March 2009. Following discussions on this matter in the Board meeting in September 2009, he had circulated ED-2086/10 inviting Members to consider, with coffee research institutions in their countries, ways of coordinating and cooperating with the ICGN on developing a project or programme of work for the coffee genome with long-term benefits for the coffee industry, and to send him suggestions and contact details for institutions which would be interested in cooperating on and securing finance for an international initiative to preserve coffee genetic resources. He had had informal contacts with Brazil, Colombia, Costa Rica, Côte d’Ivoire and Ethiopia and institutions in these countries were interested in cooperating on such an initiative. The Board noted that research institutions in Malawi and Kenya were also interested in participating and other Members who were interested in cooperating were invited to formally confirm their interest to the Executive Director, as requested in document ED-2086/10. The Board also took note of the



**Item 6.2: Administrative Accounts of the Organization  
for the financial year 2008/09 and Report of the Auditors**

23. Rule 62 of the Rules of the Organization provides that the Executive Director shall submit to the Council through the Executive Board the Accounts of the Organization and the Report of the Auditors thereon in accordance with the provisions of Article 27 of the Agreement.

24. The Board noted that the Finance Committee would consider the Administrative Accounts of the Organization for the financial year 2008/09 and Report of the Auditors contained in document EB-3971/10 at its meeting on 2 March and decided that, in view of the limited time available, the Chairman of the Finance Committee should report directly to the Council with its recommendations.

**Item 6.3: Payment of arrears**

25. Under the provisions of Resolutions 430 (Democratic Republic of Congo) and 437 (Nicaragua), the Executive Director was requested to inform the Executive Board of compliance with the terms of these Resolutions. The Executive Director said that Nicaragua was in compliance with the schedule established in Resolution 437 and the Democratic Republic of Congo had made some small regular payments but was considerably behind with the schedule established in Resolution 430. The Board noted that the Finance Committee would consider this matter in more detail at its meeting on 2 March 2010 and the Chairman of the Finance Committee would report to the Council on its discussions.

**Item 6.4: Other financial and administrative matters**

26. The Board noted that at its meeting on 2 March 2010, the Finance Committee would consider document WP-Finance 76/09 containing proposals for revisions to salary scales, language allowance and the basis for contributions to the Provident Fund for staff in the General Service category, and document WP-Finance 79/10 containing proposals for revisions to salary scale for staff in the Professional and higher categories. It would also consider a report on the financial situation and the draft Administrative Budget for 2010/11 (respectively contained in documents WP-Finance 78/10 and WP-Finance 77/10). The Board decided that the Finance Committee should submit its recommendations on these matters directly to the Council. The Board further noted the need for Members who had not yet done so to make every effort to pay their contributions by the deadline of 31 March 2010.

**Item 7: Other business**

27. There was no other business to discuss.

**Item 8:                      Future meetings**

28.     The Board noted that the next meeting would take place in London during the week of 20 to 24 September 2010, assuming the ICA 2001 was still in force at that time.