



**Coffee sector finance:**

- **Draft terms of reference for expert panel**
- **Request for information on sources of coffee sector finance**

**Draft terms of reference for expert panel:**

1. The Executive Director presents his compliments and wishes to inform Members that at its 104<sup>th</sup> Session in March 2010, the Council decided that the topic for an expert panel discussion in September 2010 should be coffee sector finance. The expert panel discussion will take place at the ICO headquarters in London during the 105<sup>th</sup> Council Session from 20 to 24 September 2010, and is provisionally scheduled for the afternoon of Tuesday 21 September.

2. Members are invited to send comments on the draft terms of reference and suggestions for speakers to the Executive Director no later than **7 May 2010**, following which appropriate experts will be identified and contacted.

**Request for information on sources of coffee sector finance:**

3. The Executive Director also wishes to request Members to send him details of sources of coffee sector finance in their countries including national institutions, private sector and multilateral institutions, with a view to developing further a report on sources and methods of finance for agricultural commodities, especially in the coffee sector. Names and contact details of these institutions should be provided by **30 June 2010**, together with information about specific projects and initiatives for which finance has been provided.

## **DRAFT TERMS OF REFERENCE FOR EXPERT PANEL**

### **Introduction**

1. Matters related to finance are critical to the sustainable development of the world coffee sector, as is explicitly recognized in Article 1 (Objectives) of the 2007 International Coffee Agreement, which includes goals such as:

- (a) facilitating the availability of information on financial tools and services that can assist coffee producers, including access to credit and approaches to managing risk;
- (b) developing, evaluating and seeking finance for projects that benefit Members and the world coffee economy; and
- (c) encouraging Members to develop and implement strategies to enhance the capacity of local communities and small-scale farmers to benefit from coffee production, which can contribute to poverty alleviation.

2. Further recognition of the importance of financial issues is provided by the establishment, within the new Agreement, of the Consultative Forum on Coffee Sector Finance (CFCSF), which will ‘facilitate consultations on topics related to finance and risk management in the coffee sector, with a particular emphasis on the needs of small- and medium-scale producers and local communities in coffee producing areas.’

3. At the 104<sup>th</sup> Session of the Council in March 2010, Members noted that the panel discussion on coffee sector finance could help to contribute to the preparations for the CFCSF and give Members an indication of how it might operate once the 2007 Agreement enters into force.

### **Objective**

4. The objective of the expert panel is to promote an exchange of views, experiences and ideas on issues related to the financing of the world coffee sector, focusing on the possible roles of the International Coffee Organization in this field, especially with regard to preparing for the activities of the Consultative Forum on Coffee Sector Finance.

### **Proposed structure**

5. The expert panel shall discuss the following issues:

- (a) the promotion of coordination among governments, intergovernmental bodies, non-governmental organizations and the private sector on topics and activities related to coffee sector finance and risk management;

- (b) the promotion of the exchange of information and possible coordination of activities among the development assistance agencies of Members;
- (c) identification of sources of support for projects, studies and other activities of the International Coffee Organization; and
- (d) other issues relevant to the financing of the world coffee sector.

6. It is proposed that panellists would make brief presentations (no more than five to seven minutes) on the work of their organizations in the context of the financing of the world coffee sector and the Forum, to be followed by an exchange of views between the panel and ICO Members.

### **Suggested speakers**

7. It is proposed that eight to ten speakers from organizations from the following categories could be invited to participate:

- multilateral development banks, bilateral development agencies and similar institutions;
- public sector financial institutions of coffee producing countries; and
- private sector financial institutions.