



ORGANIZACIÓN INTERNACIONAL DEL CAFÉ
ORGANIZAÇÃO INTERNACIONAL DO CAFÉ
ORGANISATION INTERNATIONALE DU CAFÉ

ICC 105-24

8 October 2010
Original: English

E

**Decisions and Resolutions adopted
at the 105th Session of the
International Coffee Council**

21 – 24 September 2010

1. The International Coffee Council, chaired by Mr Rodolfo Trampe of Mexico, met in London from 21 to 24 September 2010.

Item 1: Adoption of the Agenda

2. The Council adopted the draft Agenda contained in document ICC-105-0 Rev. 2 and took note of the schedule of meetings.

Item 2: Admission of observers

3. The Council noted that no requests for observer status at this Session had been received from non-governmental organizations.

Item 3: Votes and credentials

Item 3.1: Votes in the Council for coffee year 2009/10

4. The Council took note of the situation of outstanding payments affecting voting rights as at 22 September 2010 and approved the redistribution of votes in the Council and Executive Board for coffee year 2009/10 contained in document EB-3966/09 Rev. 3.

**Item 3.2: Initial distribution of votes in the Council
for coffee year 2010/11**

5. Paragraph (5) of Article 13 of the 2001 Agreement provides that the distribution of votes shall be determined by the Council at the beginning of each coffee year. Under the provisions of Article 13, the votes of exporting Members and of importing Members are based on their exports and imports respectively in the preceding four calendar years.

6. The Secretary said that documents ED-2091/10 Rev. 1 and ED-2092/10 Rev. 1, respectively, contained the latest information on the basis for the distribution of votes among exporting and importing Members for coffee year 2010/11. He introduced document EB-3979/10 showing the initial distribution of votes for coffee year 2010/11. The Council took note of this information and approved the initial distribution of votes for coffee year 2010/11, which would be used as the basis for assessing contributions.

Item 3.3: Credentials

7. The Council noted that the Secretariat had examined the credentials received from Members and had advised the Chairman of the Council that they had been found to be in good and due form. Two countries which were represented at the meeting were requested to send their credentials to the Executive Director as soon as possible. The Council decided to approve the report on credentials which was subsequently circulated, together with the List of Delegations, as document ICC-105-23.

Item 4: Membership

Item 4.1: Membership of the ICA 2007

8. The Executive Director said that document ICC-105-9 contained a report on the status of membership of the Organization under the ICA 2007. The deadline for signature of the 2007 Agreement and the deposit of instruments of ratification, acceptance or approval was 25 September 2010. As at 24 September, 40 exporting Members and six importing Members had signed the Agreement, and 28 exporting and five importing Members had ratified, accepted or approved the Agreement, or deposited notifications of provisional application. The 28 exporting Members and five importing Members that had completed all the procedures respectively held 60.9% and 92.8% of the votes of their category of Members. Importing Members had met the requirements for entry into force of the ICA 2007 but this was not yet the case for exporting Members. Document WP-Council 202/10 contained draft resolutions extending the time-limit for signature and the deposit of instruments of ratification, acceptance or approval. Depositary actions taking place during the week of the Council Session included the deposit of instruments of ratification by Norway, Tanzania, Togo and Tunisia.

9. The Council took note of this information and further noted that in the case of Brazil, it was expected that ratification should be expedited after the elections in this country. Other countries making progress on completing membership procedures included Cameroon, Guatemala, Rwanda and Zimbabwe. In the case of non-member countries, a representative of Nepal was attending this meeting and the Executive Director continued to be in contact with other potential new Members. The Council expressed a warm welcome to delegations from

Liberia, Timor-Leste and Yemen which would be Members under the 2007 Agreement, and took note of a statement by the representative of Yemen (subsequently circulated as document ICC-105-14).

10. The Council noted that document ICC-105-9 set out options for the way forward. The establishment of new deadlines would facilitate membership by Governments which had not yet signed the Agreement or deposited instruments, and avoid financial difficulties for the Organization. It decided to establish 28 September 2011 as the new deadline for signature and deposit of instruments of ratification, acceptance or approval, and approved the draft Resolutions contained in Annexes II and III of document WP-Council 202/10. These draft Resolutions became Resolution 445 and 446, copies of which are attached to these Decisions. Finally, the Council urged all Members to expedite the necessary formalities for membership to ensure that the 2007 Agreement entered into force as soon as possible. The procedures for membership contained in ED-2033/08 Rev. 4, including a model for Full Powers and model instruments, should be closely followed to avoid any difficulties.

**Item 4.2: Membership of the
International Coffee Agreement (ICA) 2001**

11. The Council noted that as at 24 September 2010, there were 76 Members of the Organization, comprising 45 exporting and 31 importing countries. Under the provisions of Resolution 443, the ICA 2001 would expire on 30 September 2010. Annex I of document WP-Council 202/10 contained a draft Resolution extending the 2001 Agreement, which had been prepared in view of the need for further time for Governments to complete membership formalities for the ICA 2007. This Resolution would extend the 2001 Agreement for a further year until 30 September 2011, with provision for its termination once the 2007 Agreement entered into force. The Council decided to approve this draft Resolution, which became Resolution 444, a copy of which is attached to these Decisions.

Item 5: Coffee market situation

12. The Executive Director introduced his report on the market situation contained in the Letter from the Executive Director – August 2010. A copy of his presentation was circulated to Members and is available on the ICO website (<http://dev.ico.org/presents/presentation0910.htm>). He noted that during coffee year 2009/10, the balance between supply and demand had become tighter. Adverse weather conditions had affected all coffee growing regions and the impact of El Niño followed by La Niña had made it difficult for coffee authorities to estimate crop production. World production in 2009/10 was estimated at 120 million bags (59% Arabicas and 41% Robustas). Prices had improved significantly since the coffee crisis although gains had been offset by increases in fertilizer prices, currency fluctuations and high levels of inflation in some cases. The differentials between Arabica and Robusta prices had widened further, indicating the impact

of shortages in origins with limited availability. Total production in crop year 2010/11 was estimated at between 133 and 135 million bags, taking into account a crop estimate of 47.2 million bags anticipated in Brazil. The Executive Director drew attention to the substantial reduction in opening stocks in exporting countries which had fallen from 55.1 million bags in crop year 2000/01 to around 11.7 million in 2010/11. Exports were expected to be around 94.3 million bags in 2010, with an estimated value of US\$16.5 billion, compared to US\$13.3 billion in 2009. World consumption continued to show a steady upward trend, although consumption of 129 million bags in 2009 was slightly less than consumption in 2008. Producing countries and emerging markets had seen the highest annual growth between 2000 and 2009, at 4% and 3.5% respectively, with traditional markets growing by only 0.8% a year during the same period. In the emerging markets sector, Ukraine, Turkey and the Russian Federation showed the highest growth (respectively 23.4%, 6% and 5.3%). In conclusion, despite anticipating an increase in world production in crop year 2010/11, the market continued to be very tight given the negligible level of world stocks and the precarious equilibrium between supply and demand, and any reduction in the forecast for the next Brazilian crop could have an impact on prices. It was important to continue to find resources to ensure that coffee continued to be an attractive proposition for farmers and avoid a repetition of the coffee crisis of 2000 – 2005.

13. The Council took note of this information and of the final official estimate for the Brazilian coffee crop for 2009/10 contained in WP-Council 204/10 and the third official estimate for the 2010/11 coffee crop contained in document WP-Council 205/10.

14. The Council noted that in the case of Colombia, the priorities of the new Government included rural development and sustainability. An agreement had recently been drawn up to strengthen and stabilize the coffee sector, which included renewing plantations, increasing domestic consumption by 30% in the next five years, developing mechanisms to protect growers from price volatility and currency fluctuations, enhancing scientific research on coffee on areas such as climate change and the coffee genome, developing denomination of origin and speciality coffee and providing technical assistance for growers. The coffee crop for 2009/10 was expected to be in the region of 8.8 – 8.9 million bags and an estimated 10 – 10.5 million bags the year after. In the case of Vietnam, the Council noted that 30% of trees were ageing, and the Government had plans to replace these, which would have an impact on future coffee supplies as the new trees came into production. Due to adverse weather conditions in two provinces, the latest estimate for the new crop in this country was under 18 million bags.

15. Delegates noted the need to reflect on past coffee cycles and learn from history, with eight to ten years of very low prices followed by two to three years of good prices. When prices recovered, farmers regained their enthusiasm for planting coffee. Although prices had increased, if production also increased by 10% to 15% in the next couple of years, the cycle of low prices could recommence. The point was made that with the improvement in prices,

now was the time to review factors that had contributed to the current situation, and put into place programmes and policies to safeguard future development and help farmers increase their share of the value chain and weather downturns. The impact of factors contributing to price volatility such as the relation between market fundamentals and the behaviour of futures markets merited further discussion. With regard to low levels of stocks in producing countries and reports that some countries might rebuild stocks, it would be useful to know about these policies and the extent to which they could influence price levels, as well as to learn about the impact of higher coffee prices on competition from other beverages, or on consumption in emerging markets. Space should be made for Members to consider the effects of climate change and discuss what policies and programmes were being put in place or could be developed to safeguard future production. To help producing countries plan for the future it was suggested that it would be helpful if the ICO could provide information on new market trends such as sustainable, certified and speciality coffees, as well as information about the value that coffee brought to consuming countries. Members highlighted the impact of speculators from outside the industry, who caused prices to fluctuate and affected producers who were not served by the futures markets. The point was made that prices were influenced by information from private companies, which often over-estimated crops. There was a need to consider how to cooperate on this issue and disseminate accurate information to protect the interests of Members. In the case of Brazil, the Government was constantly working with its national agency to enhance the accuracy of estimates. A recent ICE Commitment of Traders report showed that funds had a net long position in excess of 84,000 lots (15 million bags of coffee), a huge percentage of the world market. With respect to differentials the point was made that a report in the 90s had concluded that Robustas should normally trade at a differential of 15 US cents per lb. They were currently trading at a differential 105 cents, a huge difference for this coffee which accounted for 40% of world production. Independent and accurate statistics on what was happening in the sector were crucial. The point was made that the International Cocoa Organization (ICCO) had commissioned a study on the impact of hedge funds in cocoa, which had been extrapolated to coffee indicating an increase in liquidity and an impact on volatility. The ICO needed to deal with new instruments such as hedge funds which influenced the market.

16. The Council took note of this information and noted that the ICO constantly highlighted the importance of accurate statistics to assist Members to develop policies, and Members were making efforts to improve compliance in this area. ICO statistics were adjusted each month to reflect the latest information and were increasingly coinciding with those of other research units. The ICO was cautious about making long-term forecasts as the situation could change quickly as a result of adverse weather conditions and new pests and diseases. The Council further noted that the regular market reports provided valuable guidance to Members in developing their coffee policies.

Item 6: World Coffee Conference

17. The Executive Director introduced document ICC-105-4 containing a report on the themes and recommendations arising from the World Coffee Conference which took place in Guatemala from 26 to 28 February 2010, chaired by the President of Guatemala, H.E. Mr Álvaro Cólom Caballeros, and organized by the Guatemalan National Coffee Association (Anacafé). The theme of the Conference was ‘Coffee for the future: towards a sustainable coffee sector’ and it had addressed issues ranging from changes and trends in world supply and demand to environmental and social sustainability. The Conference took place every four to five years and enabled delegates to have an overview of trends and developments in the coffee sector.

18. The Council took note of a communication from the President of Guatemala (contained in document ICC-105-15) and of a presentation by the Chairman of Anacafé introducing the final report of the Conference, a copy of which was distributed to Members on a DVD. Both the presentation and DVD can be downloaded from the ICO website (<http://www.ico.org/wconference.asp>).

19. In discussions on the review of themes raised in the Conference, the importance was highlighted of producing countries developing plausible sustainable coffee strategies which were integrated with national plans for development, trade and other areas in order to attract financing from multilateral institutions whose policies were influenced by the priorities of Governments. There was a need for data on gender and the ICO should cooperate with other organizations which were already undertaking work in this field such as the Food and Agriculture Organization of the United Nations (FAO), International Trade Centre UNCTAD/WTO (ITC), and the World Bank Group. The latter organization was developing a cross-cutting trade strategy with a trust fund to support this which dealt with environmental and gender issues. A number of Members highlighted the importance of climate change which would be a continuing challenge for the sector, and the need to make use of tools such as the genome programme to combat it. There was a need for better data and the inclusion of coffee into the wider framework of climate agreements. The ICO should continue to develop work on the three pillars of sustainability: economic, environmental and social. Quality, certification, market development and monitoring trends in growth and consumption were also important and the 2007 Agreement included innovations and additional tools which could assist Members once it came into force.

20. The Council took note of this information and formally congratulated the Government of Guatemala and the Chairman and staff of Anacafé on the outstanding success and excellent organization of the World Coffee Conference, which had exceeded expectations and generated many useful proposals in the area of sustainability.

Item 7: Post of Executive Director

21. The Chairman introduced document ED-2098/10 containing a letter from the Executive Director, Dr Néstor Osorio, advising the Chairman of the Council of his intention to resign from the post of Executive Director with effect from 1 November 2010 to take up the post of Ambassador of Colombia to the United Nations in New York.

22. The Council took note of this information and decided to accept the resignation of the Executive Director. The representatives of the Member countries of the International Coffee Organization paid a warm tribute to Dr Néstor Osorio on accepting his resignation from the post of Executive Director. Following eight and a half years (since March 2002) of his term of office the delegates stressed Dr Osorio's dedication and competence in handling worldwide coffee affairs and the way in which he contributed to the recovery of the prestige and presence of the ICO on the world stage, defending the interests of producers and promoting the industry and coffee consumption. The delegates who spoke stressed Dr Osorio's contribution to the reshaping of coffee policies in favour of the promotion of consumption, quality improvement and the raising of around US\$100 million for carrying out specific projects in producing countries in Africa, Asia and Latin America, as well as the modernization of coffee institutions under the ICA 2007 with the broad participation of producing and consuming countries. The diplomatic and coffee related career of Dr Osorio was well known. He was delegate of Colombia to the ICO for 16 years (1978 – 1994) and before becoming Executive Director of the ICO he was the first Permanent Ambassador of Colombia to the World Trade Organization in Geneva (1994 – 2000) and Government Advisor on Coffee Matters. Dr Osorio received from the Chairman of the Council, Mr Rodolfo Trampe, a plaque reading: "The International Coffee Council at its 105th Session grants this token of APPRECIATION to Dr Néstor Osorio Londoño for his distinguished work as Executive Director of the International Coffee Organization and for the leadership with which he maintained and strengthened unity and cooperation among Member countries with the aim of achieving a sustainable coffee economy."

23. The Council noted that under the provisions of Rule 64 (Duties and responsibilities) of the Rules of the Organization, in the event of the absence of the Executive Director and in case of need, the staff member next in seniority had the functions of the Executive Director. The Council decided that in accordance with paragraph (2) of Rule 64, the current Head of Operations of the ICO, Mr José Sette, should be Acting Executive Director from 1 November 2010 until 30 September 2011, maintaining his current grade of D1 under the UN system and receiving an additional allowance (to be defined) during this period.

24. In discussions on this item, the point was made by a number of delegates that in view of the substantial additional duties that Mr Sette would be assuming, consideration should be given to appointing an Acting Head of Operations to assist him. The Chairman said that he had agreed in principle with the Executive Director on the allowance for the Acting

Executive Director: the ICO would follow the example of the ICCO in establishing the level of compensation. In assuming the post of Acting Executive Director, Mr Sette would have the flexibility and authority to deploy his team as necessary, to the extent that this was within authorized expenditure.

25. The Chairman introduced document WP-Council 206/10 containing the elements of a decision on the appointment of the Executive Director, which had been prepared following discussions by a small Contact Group and informal consultations with Members. In discussions on this matter Members noted that, with respect to the proposal to establish a Screening Committee, the Council would take a decision in March 2011 on whether this was necessary, taking into account factors such as the number of candidates for the post. It was suggested that, for the purposes of transparency, Members which were endorsing candidates should not be represented on the Committee, however other Members noted that the Committee had advisory status only and restrictions on participation meant that it would not be able to benefit from the experience of some countries. Members interested in submitting a candidate would establish their own internal selection procedures. The Council took note of this information and decided to approve the elements of a decision contained in document WP-Council 206/10. A copy of the Council's decision was circulated as ICC-105-22 and is attached to this document.

Item 8: Preparations for the ICA 2007

Item 8.1: Strategic action plan

26. The Head of Operations said that at the Council Session in March 2010, Members had been invited to send comments in writing on the plan to the Executive Director. Communications had been received from two Members which were contained in documents WP-Council 173/08 Rev. 4 Add. 1 and 2. Document WP-Council 173/08 Rev. 5 contained a revised draft plan incorporating proposals received from Members. This might need to be further amended in the light of discussions by Members on which recommendations arising from the Conference (see document ICC-105-4) should be reflected in the plan.

27. Following discussions and consultations during the week, a revised plan was circulated as document WP-Council 173/08 Rev. 6. The Council agreed to include text on low-quality coffee in brackets in Activity 17 noting that, although there was no formal definition for low quality coffee, Resolutions 407 and 420 provided a reference for good quality coffee. Following some discussion, the Council also agreed to delete text in subparagraphs (f) and (h) in item 4 of the suggested monitoring and evaluation model as the indicators were not readily quantifiable. The Council noted that the plan was a rolling plan which could be updated as required by Members, and at a later date Members might submit

proposals for updating or amending it, such as for wording relating to sub-paragraphs (f) and (h), or for the collection of statistics on gender. The Council approved the strategic action plan as amended¹.

Item 8.2: Development strategy for coffee

28. The Head of Operations said that the Council had considered this document in March 2010 and had noted that the strategy was based on priorities identified by Members and followed the format required by the Common Fund for Commodities (CFC), the ICO's main partner in financing projects. As this area of work was relevant to other donor organizations, the ICO would prepare a more comprehensive document which would incorporate elements of the strategic action plan and describing ICO activities. The Council took note of this information and approved the draft development strategy contained in document WP-Council 191/09 Rev. 1².

**Item 8.3: Terms of reference for the
Consultative Forum on Coffee Sector Finance**

29. The Head of Operations introduced document ICC-102-11 Rev. 2 containing revised terms of reference for the Consultative Forum on Coffee Sector Finance (CFCSF). At its previous Session in March 2010 the Council had established a small Contact Group which had prepared the draft terms of reference contained in this document³. Members had been invited to send further suggestions on the document in writing to the Secretariat, however no communications had been received. Wording for paragraph 2(d) still needed to be agreed. Following further consultations with the Contact Group during the week, a revised document was circulated to Members (document ICC-102-11 Rev. 3). The Council took note of this document and decided to approve it⁴.

Item 8.4: Conversion factors

30. Article 2 of the 2007 Agreement provides that conversion factors should be reviewed as soon as possible after the entry into force of the Agreement, and again at intervals of three years. The Council approved document ED-2062/09 containing a proposal to apply a coefficient factor of 1.05 instead of 1.00 for the conversion of green coffee that has undergone the decaffeination process into green bean equivalent.

¹ The final strategic action plan was circulated as document ICC-105-19.

² The final document was circulated as document ICC-105-16.

³ Composed of Brazil, Colombia, Costa Rica, the EU, Switzerland and USA, open to all Members and chaired by the Head of Operations. Côte d'Ivoire also participated in the Contact Group during the 105th Session.

⁴ The final document was circulated as ICC-105-18.

Item 8.5: Rules on Indicator Prices

31. The Chairman of the Statistics Committee said that at its meeting on 20 September 2010, the Committee had considered a number of documents relating to the indicator price system and had decided to recommend that the Council should approve revisions to the Rules on Indicator Prices contained in document WP-Council 203/10 subject to the following amendments: the new Rules would take effect on 3 January 2011 if the ICA 2007 came into force before 31 December 2010, otherwise they would take effect on the first working day of the following month after the entry into force of the 2007 Agreement; and that the system proposed would be maintained for the life of the Agreement subject to a review every three years. The Council took note of this information and decided to approve the revisions to the Rules on Indicator Prices as amended by the Statistics Committee.

Item 9: Expert Panel on Coffee Sector Finance

32. The Chairman of the Expert Panel on Coffee Sector Finance, Mr David Brooks of the USA, said that the meeting of the Panel on 21 September 2010 had been very constructive. The terms of reference and programme were contained in documents ED-2088/10 and ED-2093/10 Rev. 1 and a report would be circulated to Members. The purpose of the Panel was 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 Organization in this field, especially with regard to preparing for the activities of the Consultative Forum on Coffee Sector Finance. A range of institutions had been represented including multilateral organizations, national institutions and organizations with expertise in the NGO/private sector. Panellists had made very brief presentations, which were followed by discussions by Members. Copies of presentations were available on the ICO website (http://dev.ico.org/event_pdfs/finance/finance.htm).

33. Key messages arising from the Panel included the variety of institutions and arrangements involved in financing in the coffee sector and the constant innovation in approaches. There was also clear recognition of the many challenges associated with financing, and of differences with respect to short-, medium- and long-term financing and the scale of operations and particular circumstances of countries. There were a number of enabling conditions within countries that made a direct contribution to the success of institutional arrangements to improve finance in the sector. The Panel had also discussed market conditions, including the complexities and challenges associated with finance with respect to futures markets and structural changes in futures and physical markets for coffee. This was an area of continuing future interest. He noted that Members had contributed examples of their national expertise and experience that had enhanced the value of the discussions. One lesson to be learned was that there was value in holding similar discussions to explore a number of topics that came up in the meeting, each of which could be a useful area for future debate such as in future seminars. Finally he noted that the presentations had

been kept as short as possible, in order to draw on the expertise of the presenters and Members in discussions. This was an additional element to take into account in future events. Both the Expert Panel and the workshop on implementing the Consultative Forum in September 2009 had illustrated the potential benefits of this new initiative.

34. The Council took note of this information and expressed its appreciation to the Chairman of the Panel for chairing this event and to the Secretariat for making the arrangements for the Panel. Finally, the Council noted that Honduras had developed a financing system through a levy on coffee exports which contributed to a fund for assisting the coffee sector, and could provide further information about this to interested delegates.

Item 10: Consultative Forum on Coffee Sector Finance

35. The Head of Operations said that the Council needed to consider a number of matters with a view to preparing for the implementation of the Forum under the ICA 2007 including office-holders, the composition and functions of the core group, the date, agenda and financing of the Forum and proposals for organizations to be invited to participate in the Forum. The Secretariat had prepared working papers on the potential costs of the Forum and a list of possible participants (documents WP-Forum 1/09 and 3/09) which would need to be discussed before they were approved by the Council.

36. The Council took note of this information and decided to postpone discussions on this item until the ICA 2007 had entered into force. The Council also invited Members to submit recommendations on this matter in the period leading up to the entry into force of the 2007 Agreement.

Item 11: Programme of activities for 2010/11

37. The Chairperson of the Executive Board said that the Board had considered document WP-Council 200/10 Rev. 4 containing a revised programme of proposed activities in coffee year 2010/11. Comments by Brazil on this document had been circulated in WP-Council 200/10 Add. 1. Members had been invited to make suggestions for a topic for the seminar in 2010/11 (Activity 19). Possible topics included climate change, germplasm, coffee sector finance and pests and diseases.

38. In discussions on this item, the point was made that a number of issues had been raised during the Expert Panel on Coffee Sector Finance such as the relationship between the futures and physical markets and financial mechanisms in producing countries and how they affected the ability of producers to organize supplies. The Panel had also demonstrated the value of an interactive arrangement for this type of event. The seminar should still be held in September 2011 even if a meeting of the Consultative Forum also took place at that time.

39. The Council took note of this information. It decided to approve the programme of activities for 2010/11 contained in document WP-Council 200/10 Rev. 4⁵ and requested Members to send suggestions for a topic for the seminar in writing to the Secretariat by 31 January 2011.

Item 12: Coffee development projects

Item 12.1: Projects for approval by the Council

40. The Council noted that the Executive Board had considered document EB-3978/10 containing the report and recommendations of the Virtual Screening Committee (VSC) on one new and one revised proposal. The Board had made the following recommendations:

41. *Improving African coffee processing and market access (new)*: The Board had considered a proposal contained in document WP-Board 1062/10 submitted by the InterAfrican Coffee Organisation (IACO). The Board had noted that the VSC had been split on whether to approve or revise this project, and had decided to recommend that the proposal should be revised by the project proponents. In discussions on this matter, the point was made that it would be useful for VSC Members to reach agreement on whether or not projects should be approved to avoid subsequent delays. Where further information was needed, countries could work with the Secretariat to provide this. It was suggested that it would be useful to look at the procedures for reviewing projects to see how they could be expedited. This was an important project for the participating countries, which had strong institutions and it was suggested that the Secretariat could work with the proponents to ensure that the project was revised to include the necessary information. The Council took note of this information and decided to approve the proposal subject to a review by IACO with assistance from the Secretariat.

42. *Pest control model and Good Agricultural Practices (GAP) application in different coffee growing areas in Indonesia (revised)*: The Board had considered a proposal contained in document WP-Board 1063/10 submitted by Indonesia and had noted that the VSC had been split on whether to approve or revise this project. It had been suggested that comments by the VSC on the technical area of budget/cost-effectiveness could be clarified with the proponents directly to avoid delays in submitting the proposal to the CFC. The Board had noted that consultations would take place between Indonesia and the Secretariat to strengthen this technical area and had decided to recommend approval of the project to the Council on this basis. The Council took note of this information and decided that the proposal should be approved as proposed by the Executive Board.

⁵ Subsequently distributed as ICC-105-21.

Item 12.2: Projects already approved by the CFC

43. The Head of Operations introduced document ICC-105-10 containing a progress report on the implementation of projects approved by the CFC and informed Members that the CFC Executive Board had approved the project ‘Improving coffee quality in Eastern and Central Africa: Scaling up of enhanced processing practices in Ethiopia and Rwanda’ in April 2010. The ‘Competitive coffee enterprises programme for Guatemala and Jamaica’ project had been launched in Jamaica in July 2010. In the case of the ‘Coffee price risk management in Eastern and Southern Africa’ project, it had been proposed that the project activities should be managed by the Kenya Coffee Development Fund as the lead institution and a Chief Technical Advisor (CTA) appointed by the CFC and the ICO. Following consultations in March 2010 the ICO had sent the terms of reference for the recruitment of the CTA to the CFC whose response was awaited. Finally he said that the Executive Summary of the final report of the project ‘Pilot short- and medium-term finance to small-scale coffee farmers in Kenya’ was contained in document ICC-105-11 and relevant project materials were available on the projects section of the ICO website (www.ico.org/what_we_do.asp).

44. The representative of the Project Executing Agency made a presentation on the implementation of the project ‘Access to finance for the development of diversification crops in coffee producing areas – Burundi and Côte d’Ivoire’.

45. The representative of the United Nations Office for Project Services (UNOPS) made a presentation on the completion of the project ‘Pilot short- and medium-term finance to small-scale coffee farmers in Kenya’, including lessons learned and challenges. Recommendations included scaling up the project in Kenya, Uganda, Tanzania and other producing countries, replicating it in other commodities, and addressing the price risk mitigation component. A proposal for dissemination in Uganda and Tanzania and upscaling the project had been prepared for consideration by the ICO.

46. In discussions on this topic a number of Members expressed their appreciation for the successful conclusion of this project which had benefited small growers, and stressed the need to follow it up and ensure it was replicated within Kenya and other producing countries. It was very important to disseminate and replicate the outcomes of successful projects and incorporate them into national programmes.

47. The Council took note of these presentations and agreed on the importance of developing the results of successful projects as assets which could serve the world coffee community and be systematically and easily accessed by Members. This could be a task for the Organization. Finally the Council welcomed Mrs Eltha Brown, First Project Manager at the CFC, with interim responsibility for coffee, to the meeting.

Item 12.3: International Coffee Genome Network (ICGN)

48. The Executive Director reported that a meeting had taken place on 22 September 2010 with Members and representatives of research institutions in exporting countries interested in cooperating with the ICGN (see ED-2094/10). Members had discussed ways of cooperating on drawing up terms of reference for a long-term initiative to sequence the coffee genome, with a view to improving coffee quality and developing resistance to pests and diseases. Brazil, Colombia, Costa Rica, Côte d'Ivoire, Ethiopia, Guatemala, India, Indonesia, Kenya, Malawi, Mexico, Vietnam and IACO were among those interested in collaborating on this activity and the Secretariat would continue to coordinate cooperation on the development of a long-term initiative.

49. In discussions on this item, the point was made that talks related to this topic were taking place under the Convention on Biological Diversity (CBD) and Cartagena Protocol on Biosafety including risk management and the ability to use genetically modified products. While it could be very useful to develop genetically resistant varieties of coffee, it would also be important to be able to implement them, and the discussions currently taking place could have an impact on countries' ability to benefit from research. The Council took note of this information.

Item 13: Studies and reports

Item 13.1: Studies

50. The Council took note of presentations and studies on the following topics, as provided for in the programme of activities or requested by the Council in March 2010: Cyclical patterns in the supply of coffee (document ICC-105-1); Relations between coffee stocks and prices (document ICC-105-2); Comparative analysis of retail prices of coffee in importing countries (document ICC-105-3); Indicator prices and economic variables (inflation, exchange rates, prices of inputs (document ICC-105-12); Employment generated by the coffee sector (document ICC-105-5); and Production costs (document ICC-105-6). The latter document would be revised to include information received from Guatemala. In the case of supply and demand projections (2011 – 2015), a preliminary report had been received from the FAO which would be evaluated by the Secretariat prior to circulating it to Members. The representative of the FAO would be invited to report at a future Session.

51. In discussions on this item, several Members indicated that they would submit further comments on the studies, some of which had only recently been circulated. These issues were of great interest to Members and the studies were a good starting point, however more in-depth work would be useful. The Secretariat should develop them further and they should be reviewed on a regular basis. In addition to statistical analysis, it would be useful to take into account economic and policy factors. In response to a suggestion that some of the

studies should be prepared on an annual basis, the Secretariat clarified that the results did not change significantly from year to year, and they would be updated at intervals of three to five years. It was suggested that it would be useful to look at the prospects and trends for the coffee sector in the longer-term to enable Members to have an idea of what lay ahead and plan accordingly. In the case of studies on employment and production costs, it would be useful to include more narrative explanation and some economic background such as putting the figures into the context of national economies of Members, e.g. putting employment in the context of the macro-economy.

52. The Council took note of this information and expressed its appreciation to the Secretariat for the studies. All Members were invited to send their comments in writing on the documents to the Executive Director. The Council noted that the studies should be further developed to take into account suggestions by Members and that it would also be very useful to look at future trends in the coffee sector. Finally the Council noted that the Secretariat relied on data received from Members to prepare these documents and requested all Members to provide the necessary information to enable them to be further developed.

Item 13.2: Obstacles to consumption

53. The Head of Operations introduced document ICC-105-7 Rev. 1 containing a report on obstacles to consumption. In discussions on this item the point was made that some tariffs in importing countries were complex and difficult. They inhibited development and added value in producing countries and were not in accordance with the objectives of the 2007 Agreement. There was a lack of data on tariffs on soluble coffee imports and the report should be revised to include information on this and an analysis of the impact on the industrial development of producing countries. It was also proposed that the report should be revised to take into account the EU's Generalised System of Preferences (GSP) which gave developing countries access to reduced tariffs as low as zero in some cases. With respect to tariffs on soluble coffee, a copy of the response from the EU authorities could be made available to Brazil. A bilateral commission regularly reviewed this matter and could consider this case. In the case of Central America, countries in this region had recently negotiated an agreement with the EU to cut import tariffs on coffee, which would benefit the sector.

54. The Council took note of this information and of document ICC-105-7 Rev. 1. It noted that with respect to the impact of tariffs on the coffee trade, a study had previously been prepared on this topic (see document EB-3924/07 Rev. 1), and the report on obstacles to consumption would be revised to include tariffs on soluble coffee imports and information about the GSP.

Item 13.3: Mixtures and substitutes

55. Article 36 of the 2001 Agreement states that the Executive Director shall submit to the Council a periodic report on compliance with the provisions of this Article. The Head of Operations introduced document ICC-105-8 containing a report on responses received from Members to ED-2087/10 requesting them to inform him of compliance with Article 36. The Council took note of this report.

Item 13.4: Sources and methods of finance for agricultural commodities, especially in the coffee sector

56. The Head of Operations said that the Executive Director had circulated document ED-2088/10 requesting Members to send him by 30 June 2010 details of sources of coffee sector finance in their countries, together with information about specific projects for which finance had been provided with a view to further developing a report on this topic (see document ICC-104-5). Three replies had been received (from Gabon, Kenya and El Salvador). A revised report would be circulated at the next Session on sources and methods of finance for agricultural commodities to improve producers' ability to finance their coffee activities, including managing their stocks in origin countries. He reported that the ICO had initiated contacts with relevant organizations to request information on coffee sector finance, including the African Development Bank, Asian Development Bank, *Banco Centroamericano de Integración Económica*, FAO, International Finance Corporation (IFC), Inter-American Development Bank (IADB), International Fund for Agricultural Development (IFAD), Organization of American States (OAS) and the World Bank. The Secretariat would continue to follow up on contacts established with these organizations. In discussions on this item, the point was made that it would be useful to increasingly integrate these activities into preparations for implementing the Consultative Forum. One Member would encourage its contacts in these organizations to communicate with the ICO and participate in its activities. The Council took note of this information.

Item 14: Report by the Chairman of the Private Sector Consultative Board (PSCB)

57. The Vice-Chairman of the PSCB, Mr Robert Nelson of the National Coffee Association of the USA (NCA), said that the PSCB had met on 20 September 2010 (the report of this meeting was subsequently circulated as document PSCB-124/10). The PSCB had discussed some substantive matters and received presentations on a number of topics of particular interest to the Council, including the Global Coffee Quality Research Initiative (GCQRI) developed by the Norman Borlaug Institute for International Agriculture (see document PSCB-122/10). The aim of this initiative was to increase overall cup quality and available volumes of specialty coffee through research interventions in origin countries, thus raising farmer returns and increasing roaster sales by stimulating higher consumer

interest and consumption. The PSCB had recommended that the ICO should engage in this project and encouraged it to explore a variety of ways of getting involved. The PSCB had also received a presentation on adding value to Robusta coffees, a Coffee Quality Institute initiative, which focussed on Robusta ‘fine’ coffees and had developed a distinct sensory method for evaluating them. The CQI was holding workshops to teach and certify Robusta ‘Fine’ coffee cuppers (see document PSCB-123/10). The PSCB had encouraged the ICO to consider collecting statistics on the trade and production of this coffee. The Board had also received presentations by the representatives of ICE and NYSE Euronext. In the case of the former, the PSCB had discussed disparities between the futures and physicals market, and the role and obligation of the exchanges, particularly with regard to providing a platform for risk management, noting that any market must provide a necessary service to the industry to be relevant. The representative of ICE was open to input from Members. The representative of NYSE Euronext had announced that in the coming months this institution would publish a report similar to a commitment of traders report which might also include information on the position of speculators. Finally Mr Nelson reported that the PSCB had appointed him as Chairman of the PSCB and Mr Ricardo Villanueva of Anacafé as Vice-Chairman for coffee year 2010/11. The Council expressed its appreciation to the PSCB for its valuable contribution and took note of this report.

Item 15: Report by the Chairman of the Statistics Committee

58. The Chairman of the Committee, Mr Thiago Siqueira Masson of Brazil, said that the Statistics Committee had met on 20 September 2010 (the report of this meeting was subsequently circulated as document WP-Statistics 150/10). The Committee had considered a report on compliance with the Statistical Rules of the ICO and had noted that overall performance by exporting and importing countries with information on the international coffee trade was satisfactory or better. With the exception of Brazil, Costa Rica and El Salvador, compliance by exporting Members in providing production, stocks and internal consumption estimates remained poor and Members were urged to improve their performance in this area. Hungary was the only importing country not providing data on its coffee trade. The ICO would conduct a training workshop on statistical requirements in Tanzania in early 2011. Similar workshops had taken place in Indonesia and Vietnam in October 2009, and the flow of data from these two countries had improved substantially, and efforts were continuing to upgrade overall levels of compliance.

59. The Committee had considered a report on exports of organic coffee and had requested exporting Members to take care in completing the appropriate field for organic coffee in Certificates of Origin as this was a valuable source of data. The Committee had also reviewed a report on exports of all forms of coffee from all origins to exporting countries. It noted that only Brazil and El Salvador were sending information on a regular basis and highlighted the need for all exporting Members to do so. The Committee also reminded exporting Members to provide annual estimates of total production, domestic

consumption and stocks at the end of each crop year. It recommended that Members should consider taking the necessary steps to adapt their systems to the new Statistical Rules of the Organization (see documents ICC-102-9 and ICC-102-10) given the likelihood that the ICA 2007 would enter into force during 2010/11. Finally the Committee had requested exporting Members which had not yet done so to update their details for Certifying Agents and ports of export (see document WP-Council 174/08 Rev. 1) and agreed that its next meeting would be held in London in September 2011.

Item 16: Report by the Chairman of the Promotion Committee

60. The Chairman of the Promotion Committee, Mr Michael Wheeler of Papua New Guinea, said that the Committee had met on 22 September 2010. The report of the meeting was subsequently circulated as PC-63/10. Members had received a report on the implementation of the ICO CoffeeClub Network, which required technological updating. In view of the lack of funds in the Promotion Fund, in March 2010 the Committee had authorized the Executive Director to explore all options for the continuing management and future development of the Network, and he had subsequently established a Memorandum of Understanding to hand it over to the consultants with a view to recovering some of the original investment for the ICO. Members had also received a report on the ICO Step-by-Step Guide to Promote Coffee Consumption which had generated over US\$30 million from the original investment of US\$287,000. The Guide was now seven years old and it would be useful to consider updating it in the light of technological developments, experiences in its implementation and new ideas on promoting consumption. In the case of coffee and health programmes, the Committee had noted that the limited resources remaining in the Promotion Fund meant that it was no longer possible to contribute to the Positively Coffee Programme, which was currently being updated by ISIC to take into account new EU legislation. Members had also considered the recapitalization of the Promotion Fund and had noted that one Member would submit a proposal to a future meeting. The Committee had reiterated its appeal to all Members to contribute ideas for the future financing of promotion to enable the ICO to build on the success of previous activities in this field. Finally the Committee had noted that the ICO had made a contribution to the ASIC Conference in October 2010 and had decided that while there was no activity in the Promotion Fund, there was no need to appoint an external auditor to audit the accounts until such time as activities in this area resumed. The Council took note of this information.

Item 17: Phytosanitary matters

61. The Head of Operations said that the PSCB had considered updates on a number of phytosanitary matters at its meeting on 20 September 2010 (see document PSCB-124/10). Following discussions in March 2010 the Executive Director had circulated ED-2087/10 requesting Members to send him details of Maximum Residue Levels (MRLs) for pesticides used in the coffee production process and details of the methodology used for calculating

these, together with copies of relevant studies. Replies had been received from the EU, Brazil, Colombia, Costa Rica, Ecuador, Kenya and Rwanda, and a report would be prepared for a future meeting. The Codex Alimentarius Committee on Pesticide Residues had met in China in April 2010 and its report had been considered by the Codex Committee in July 2010. The reports of both these meetings (respectively contained in ALINORM 10/33/24 and ALINORM 10/33/REP) could be consulted on the Codex website (www.codexalimentarius.net). The Council took note of this information.

Item 18: Cooperation with other agencies

62. The Executive Director said that he had attended the 17th Annual meeting of the CFC and International Commodity Bodies (ICBs) held in Japan on 31 August and 1 September 2010. Participants had discussed the impact of the financial and economic crisis on commodities, new contributions by 2012, the future role and mandate of the CFC and preparations for the Fourth United Nations Conference on Least Developed Countries (LDC-IV). The ICO had been represented at the meeting of the FAO Committee on Commodity Problems in June 2010 and was exploring new areas of collaboration with this organization. The ICO continued to be in contact with the United Nations Environment Programme (UNEP) and had met representatives of the International Finance Corporation (IFC) in June 2010, who were interested in exploring further cooperation on upscaling project proposals. Finally, the ICO would be represented at the General Assembly and 50th anniversary celebrations of IACO in Abidjan in December 2010.

63. The Executive Director said that in March 2010, Members had been invited to send contributions to assist with the preparation of a document on the effects of climate change for the United Nations Framework Convention on Climate Change (UNFCCC) meetings in Mexico from 29 November – 10 December 2010. Document ICC-105-13 contained a draft document for submission to these meetings. He expressed his appreciation to Vietnam for sending information on the impact of climate change on the coffee sector in this country which illustrated the importance of action at a global level. Finally he said that the ICO and other ICBs would prepare a document on the impact of climate change on coffee and other commodities, with input from the CFC. He would continue to assist with efforts in this area upon taking up his post at the UN in New York.

64. The Council took note of this information and further noted that the Government of the Netherlands, together with other Governments and multilateral agencies, would host a conference on Agriculture, Food Security and Climate Change from 31 October to 5 November 2010. This would provide a useful opportunity for ICBs to make a contribution on commodities to the conference which would be attended by Ministers of Agriculture, and which would have an input to the UNFCCC Conference. The Council decided to request the ICO to contact other ICBs with a view to making a contribution to this meeting.

Item19: National coffee policies

65. The Council took note of a presentation by the representative of Kenya on Batian coffee (a new coffee variety resistant to coffee berry disease and coffee leaf rust). A copy of this presentation is available on the technical presentations area of the ICO website (<http://dev.ico.org/presents/presentation0910.htm>).

Item 20: Financial and administrative matters

Item 20.1: Draft Administrative Budget for the financial year 2010/11

66. The Chairman of the Finance Committee, Mr Michael Wheeler of Papua New Guinea, said that following discussions at its meetings in March 2010 and on 20 and 22 September 2010, the Committee had decided to recommend to the Council that it should approve the draft Administrative Budget for 2010/11 contained in document WP-Finance 77/10 Rev. 2. Based on overall expenditure of £2,966,000 and estimated revenue from external sources of £184,000, the potential contribution per vote would be £1,391, representing an increase of 0.5% compared with the financial year 2009/10.

67. He reported that the Committee had discussed the issue of the premises which accounted for 24% of the annual Budget. A rent review was due to take place in April 2011. Although any increase was capped at 50% until the lease expired in 2017, this would have significant implications for the Budget. Following preliminary discussions with the landlord provision for an estimated increase had been included in the draft Budget and the Executive Director would hold further negotiations with the landlord on this matter. The Committee had considered a restricted document (document WP-Finance 85/10), setting out different scenarios for reducing the costs of the premises, bearing in mind that the ICO used the conference facilities for a very limited period each year. He invited Members to consider whether the existing facilities met their needs and were cost-effective and said that this issue should be on the future Agenda of the Council.

68. In discussions on this item the point was made that the contribution per vote would increase by only 0.5% although increases in rent and costs of personnel were higher than this. Increases close to zero were not acceptable in the future as they could compromise the long-term economic viability of the Organization, as had been the case in other organizations. The Council took note of this information and expressed its appreciation to the Chairman and Members of the Finance Committee for their work. It decided to approve the draft Administrative Budget for 2010/11 contained in document WP-Finance 77/10 Rev. 2⁶.

⁶ Subsequently distributed as document ICC-105-20.

Item 20.2: Other financial and administrative matters

69. The Chairperson of the Executive Board said that the Board had received a report on the financial situation of the Organization (document WP-Finance 84/10) and had noted that this was satisfactory. The Board had also noted that the Executive Director proposed to appoint Smith Williamson as the auditors of the ICO for the financial year 2010/11. Concerning payment of arrears, the Democratic Republic of Congo and Nicaragua were behind the schedules established under Resolutions 430 and 437, although the former country had made a number of small monthly payments. Both Members were urged to make every effort to repay their arrears. The Board had reappointed the Finance Committee for 2010/11 and had taken note of a document on remuneration (document WP-Finance 83/10), which provided a summary of the main principles and their practical application to the remuneration of the Organization's staff.

70. The Chairman of the Finance Committee reported that the Committee had held a further discussion on outstanding contributions at its meeting on 22 September. Members had noted that although some countries were making efforts to repay their arrears, others with long-standing debts were not. The Committee had decided that the following countries with outstanding contributions should be brought to the attention of the Council: Central African Republic, Republic of Congo, Dominican Republic, Gabon, Guinea, Malawi and Zambia. The Committee highlighted the need for active dialogue with these Members to ensure they repaid their debts. It was unfair that some countries benefitted from ICO activities which were paid for with contributions from other Members. In the case of Malawi, this country had benefitted from projects to the value of US\$1 million. The Council should consider whether Members with long-standing arrears should continue to participate in projects. Coffee prices were at a 13-year high, which should make it feasible for countries to comply with their financial obligations to the ICO.

71. In discussions on this item, the need for Members to settle their arrears was stressed. Further consideration was needed on the question of excluding countries with debts from participating in future projects. This was a radical measure which needed to be carefully evaluated.

72. The Council took note of this information and expressed its appreciation to Uganda which had repaid all its outstanding contributions. It requested the Secretariat to contact all Members with arrears and make every effort to recover these such as through establishing schedules for repayment. It also requested the Secretariat and the CFC to prepare a report on the matter of arrears and projects for consideration by the Council and noted that a report on progress would be submitted to its next meeting.

Item 21: Office-holders

Item 21.1: Chairman and Vice-Chairmen of the Council

73. In accordance with the procedures provided for in Article 11 of the 2001 Agreement, the Council elected the following office-holders in the Council for coffee year 2010/11:

Chairman:	Mr Ewald Wermuth (Netherlands)
First Vice-Chairperson:	Ms Christine Detaille (Belgium)
Second Vice-Chairman:	Nomination to follow
Third Vice-Chairman:	Nomination to follow

Item 21.2: Executive Board

74. In accordance with the procedures provided for in Article 18 of the 2001 Agreement, the following Members were elected to the Executive Board for coffee year 2010/11.

Exporting Members

Brazil, with 281 votes	(representing Brazil)
Vietnam, with 158 votes	(representing Vietnam)
Colombia, with 115 votes	(representing Colombia)
Indonesia, with 102 votes	(representing India, Indonesia and the Philippines)
Mexico, with 86 votes	(representing Ecuador, Guatemala and Mexico)
Ghana, with 80 votes	(representing Cameroon, Côte d'Ivoire, Ghana, Togo and Uganda)
Honduras, with 53 votes	(representing Costa Rica and Honduras)
Zimbabwe, with 37 votes	(representing Ethiopia and Zimbabwe)

75. The following Members were absent: Benin (5 votes), Burundi (8 votes), Cuba (5 votes), El Salvador (18 votes), Madagascar (6 votes), Nigeria (5 votes), Panama (6 votes), Rwanda (8 votes), Tanzania (13 votes) and Thailand (8 votes).

76. The following Members had their votes suspended: Angola, Bolivia, Central African Republic, Congo (Democratic Republic of), Congo (Republic of), Dominican Republic, Gabon, Guinea, Haiti, Jamaica, Kenya, Malawi, Nicaragua, Papua New Guinea, Paraguay and Zambia.

Importing Members

European Union (EU), with 736 votes	(representing the EU: EU, Belgium, Germany, Italy and Spain)
United States of America, with 230 votes	(representing the United States of America)
Switzerland, with 22 votes	(representing Switzerland)
Norway, with 12 votes	(representing Norway)

Item 21.3: Chairman and Vice-Chairman of the Executive Board

77. In accordance with the procedures provided for in Article 17 of the 2001 Agreement, the Council elected the following office-holders on the Executive Board for coffee year 2010/11:

Chairman:	Mr Henry Ngabirano (Uganda)
Vice-Chairman:	Mr Ronald Peters (Costa Rica)

Item 21.4: Statistics Committee

78. The Council decided to appoint the following representatives of the Statistics Committee for a one year term, pending the entry into force of the 2007 Agreement:

Exporting Members:	Mr Thiago Siqueira Masson (Brazil), Ms Marcela Urueña Gómez (Colombia)
Importing Members:	Mr Rob Simmons (United Kingdom), Mr Neil Rosser (Germany)
Executive Director:	Mr Corneille Tabalo (Democratic Republic of Congo), Mr Tony Halstead (United States of America)

Item 22: Other business

Mr Vicky Mateso and Mr Isaías Menezes of Angola

79. The Council noted that two long-standing delegates to the Council, Mr Vicky Mateso and Mr Isaías Menezes of Angola, had died and expressed its condolences and sympathy to their families and colleagues.

Mr David Brooks of USA

80. The Council noted that this was the last Session to be attended by Mr David Brooks of the USA, and expressed its appreciation for his outstanding contribution to the negotiations on the 2007 Agreement and active participation in the work of the ICO and international cooperation on coffee.

European Coffee Contract

81. The Council noted that following consultations, Exporting Members had agreed to establish a Contact Group coordinated by Mr Guilherme Braga of CeCafé who would contact the European Coffee Federation in the next month with a view to contributing to a new European Coffee Contract which was under consideration and to rules on arbitration.

Item 23: Future meetings

82. The Council noted that its next Session would take place in Côte d'Ivoire from 28 to 31 March 2011. It took note of a note verbale on arrangements for visas and of a presentation by the representative of Côte d'Ivoire on the arrangements for these meetings, a copy of which is available on request from the Secretariat.



ORGANIZACIÓN INTERNACIONAL DEL CAFÉ
ORGANIZAÇÃO INTERNACIONAL DO CAFÉ
ORGANISATION INTERNATIONALE DU CAFÉ

ICC 105-22

8 October 2010
Original: English

E

International Coffee Council
105th Session
21 – 24 September 2010
London, England

Appointment of the Executive Director:

- **Procedures and schedule**
- **Terms of reference**

Background

This document contains the procedures, schedule and terms of reference for the appointment of a permanent Executive Director, which were approved by the Council at its 105th Session from 21 to 24 September 2010.

As indicated in the attached schedule, Member Governments are requested to forward the names of their endorsed candidates to the Secretariat no later than **15 March 2011**.

DECISION ON THE APPOINTMENT OF THE EXECUTIVE DIRECTOR

Taking into account the Council decision¹ to accept the resignation of the Executive Director and to appoint the Head of Operations as Officer in charge for the period 1 November 2010 to 30 September 2011.

The Council establishes the following terms of reference and procedures for the appointment of a permanent Executive Director and:

Procedures and schedule

Requests Member Governments to use transparent processes to encourage suitable candidates to indicate their interest in the position, taking into account the terms of reference attached as Annex I. Candidates for the position must be endorsed by a Member Government and only one candidate can be endorsed by each Member Government.

Requests Member Governments to forward names of endorsed candidates to the Secretariat, no later than **15 March 2011**.

Requests the Secretariat to compile the names of all candidates and distribute this list to Members in the documents for the March Session of the Council.

Decides to establish at the Council Session in March 2011, if necessary, a Screening Committee, composed of six Exporting Members and six importing Members. The Screening Committee shall review the list of candidates and recommend to the Council no more than five candidates to be invited to the September 2011 Council Session in order to make presentations on their candidacy. Presentations shall address the present and future role of the ICO in the coffee sector and the candidate's ability to lead the Organization to achieve the objectives of the Agreement. In making its recommendation to the Council, the Screening Committee shall use transparent and objective criteria.

If the establishment of the Screening Committee is necessary, its report and recommendation shall be distributed to Members no later than **30 June 2011**. Members who wish to comment on the recommendations of the Screening Committee shall provide those comments in writing no later **31 July 2011**.

Following the presentations by candidates at the Council Session in September 2011, the Council shall consider and decide on the appointment of the Executive Director.

¹ See paragraph 25 of ICC-105-24, *Decisions and Resolutions adopted at the 105th Session of the International Coffee Council*.

TERMS OF REFERENCE FOR THE POST OF EXECUTIVE DIRECTOR OF THE INTERNATIONAL COFFEE ORGANIZATION

A successful candidate will have deep knowledge of the coffee sector and relevant wide experience. A successful candidate will also demonstrate sound management skills in the management of an organization with the size and complexity of the International Coffee Organization, including management of personnel and budgets. Experience raising financial support would be useful. Experience conducting analytic studies, including economic studies, as well as developing and implementing capacity building projects would be desirable.

Candidates should have the qualities to command wide support among the membership of the International Coffee Organization, and must, at a minimum, meet the following:

(a) Nationality

Candidates shall be nationals of ICO Member countries and shall be endorsed by their respective Governments. Only one candidate per country can be endorsed.

(b) Background

Candidates shall have earned at least one University Degree from a recognized University or Institution of Higher Education.

(c) Professional experience

Candidates shall have at least fifteen (15) years professional experience with a minimum of five (5) years at a management level in Government, in an international organization, or in a commercial or similar enterprise. Experience within the field of commodities will be considered a particular advantage.

(d) Age

In compliance with U.N. rules there are no restrictions on the age of candidates.

(e) Languages

An excellent knowledge of English, both spoken and written, is essential. Knowledge of one or more of the other official languages of the Organization (French, Portuguese and Spanish) would be desirable.

Terms of appointment

The terms of appointment shall be comparable to those applying to corresponding officials of similar intergovernmental organizations. The initial contract will be for a period of five (5) years and with the possibility of renewal for one 5-year additional term. In no event shall the contract of the Executive Director extend beyond the duration of the International Coffee Agreement.



ORGANIZACIÓN INTERNACIONAL DEL CAFÉ
ORGANIZAÇÃO INTERNACIONAL DO CAFÉ
ORGANISATION INTERNATIONALE DU CAFÉ

ICC Resolution 444

21 September 2010
Original: English

E

International Coffee Council
105th Session
21 – 24 September 2010
London, England

Resolution number 444

APPROVED AT THE FIRST PLENARY MEETING,
21 SEPTEMBER 2010

Further extension of the International Coffee Agreement 2001

WHEREAS:

The International Coffee Agreement 2001, as extended by Resolutions 432, 438 and 443, is due to expire on 30 September 2010; and

In order to allow sufficient time for Governments to complete the procedures for the entry into force of the International Coffee Agreement 2007, it is necessary that the International Coffee Agreement 2001 be further extended.

THE INTERNATIONAL COFFEE COUNCIL

RESOLVES:

1. To further extend the International Coffee Agreement 2001 for one year from 1 October 2010. However, the International Coffee Agreement 2007 shall enter into force as soon as the conditions for its provisional or definitive entry into force are met, thus terminating the period of extension of the International Coffee Agreement 2001.
2. To request the Executive Director to convey this Resolution to the Secretary-General of the United Nations.



ORGANIZACIÓN INTERNACIONAL DEL CAFÉ
ORGANIZAÇÃO INTERNACIONAL DO CAFÉ
ORGANISATION INTERNATIONALE DU CAFÉ

ICC Resolution 445

21 September 2010

Original: English

E

International Coffee Council

105th Session

21 – 24 September 2010

London, England

Resolution number 445

APPROVED AT THE FIRST PLENARY MEETING,
21 SEPTEMBER 2010

Extension of time for signature of the International Coffee Agreement 2007

WHEREAS:

The International Coffee Council ('the Council') approved the International Coffee Agreement 2007 ('the Agreement') by Resolution 431 on 28 September 2007;

Article 40 of the Agreement stipulates that, except as otherwise provided, the Agreement shall be open for signature at the Depositary headquarters from 1 February 2008 until and including 31 August 2008;

Paragraph 1 of Resolution 441 provides that Governments eligible to sign the Agreement may sign it on or before 25 September 2010;

A number of Governments eligible to sign the Agreement pursuant to the provisions of paragraph (1) of Article 40 of the Agreement and Resolution 441 have indicated that they wish to become signatory Governments to the Agreement; and

The Council deems it desirable to enable the Governments concerned to sign the Agreement in order to enhance the prospects for entry into force of the Agreement within the next twelve months,

THE INTERNATIONAL COFFEE COUNCIL

RESOLVES:

That under the provisions of paragraph (1) of Article 40 of the Agreement and Resolution 441, Governments eligible to sign the International Coffee Agreement 2007, may sign the Agreement on or before 28 September 2011.



INTERNATIONAL COFFEE ORGANIZATION
ORGANIZACIÓN INTERNACIONAL DEL CAFÉ
ORGANIZAÇÃO INTERNACIONAL DO CAFÉ
ORGANISATION INTERNATIONALE DU CAFÉ

ICC Resolution 446

21 September 2010

Original: English

E

International Coffee Council

105th Session

21 – 24 September 2010

London, England

Resolution number 446

APPROVED AT THE FIRST PLENARY MEETING,
21 SEPTEMBER 2010

Extension of the time limit for ratification, acceptance or approval of the International Coffee Agreement 2007

WHEREAS:

The percentage of votes held by the signatory Governments that have deposited the instruments specified in Article 40 of the International Coffee Agreement 2007 is not sufficient for the entry into force of the Agreement under the provisions of Article 42;

Paragraph (3) of Article 40 of the Agreement stipulates that the Council may decide to grant extensions of time to signatory Governments that are unable to deposit their instruments by 30 September 2008;

Under the terms of paragraph 1 of Resolution 442 the period for the deposit of instruments of ratification, acceptance or approval of the International Coffee Agreement 2007 is further extended to 25 September 2010; and

A number of Governments have indicated that they require more time to complete the deposit of the instruments mentioned in paragraph (3) of Article 40,

THE INTERNATIONAL COFFEE COUNCIL

RESOLVES:

To extend the period for the deposit of instruments of ratification, acceptance or approval of the International Coffee Agreement 2007 with the Depositary under the provisions of Article 40 of the Agreement and of Resolution 442 from 25 September 2010 to 28 September 2011.