



Organización Internacional del Café
Organização Internacional do Café
Organisation Internationale du Café

PC 40/07

14 February 2007
Original: English

E

Report of the Steering Group on Promotion on the meeting of 25 and 26 January 2007

1. The Steering Group on Promotion, chaired by the Executive Director, Mr. Néstor Osorio, met on 25 and 26 January 2007.

Item 1: Adoption of the Agenda

2. The Group adopted the draft Agenda contained in document WP-SGP 16/06 Rev. 1.

Item 2: Chairperson and Vice-Chairperson

3. The Group noted that the terms of reference for the Steering Group on Promotion (contained in document WP-SGP 2/03 Rev. 1) provided that the representatives of the Group should elect a Chairperson and a Vice-Chairperson for a two year term at the first meeting of the coffee year. The Group further noted that the 2001 Agreement would expire in September 2007. It decided to re-elect the Executive Director as Chairman and to appoint Mr. Mick Wheeler of Papua New Guinea as Vice-Chairman until September 2007, at which time the matter would be reviewed in the light of a decision by the Council on the future of the Agreement.

Item 3: Promotion activities

Item 3.1: Step-by-Step guide to promote coffee consumption

4. The Executive Director reminded Members that the Step-by-Step Guide to promote coffee consumption was available in English, French and Spanish for downloading free of charge from the ICO website. Mr. Carlos Brando informed the Group that the Guide was being used in a number of countries including El Salvador, India, Indonesia and Mexico and

resources had been allocated to support programmes in a number of countries, ranging from US\$400,000 in El Salvador to US\$6 million for a five year programme in India. The results of activities to date were very positive. The Group took note of this information.

**Item 3.2: Proposal to create an ICO network
to promote coffee consumption**

5. The Executive Director said that in September 2006, exporting Members had authorized him to use a sum not exceeding US\$120,000 from the Promotion Fund to contract specialized firms to submit a detailed formal proposal to create an ICO network to promote coffee consumption which would be reviewed by the Group at this meeting. A proposal to implement the network had been received from the consultants (contained in document WP-SGP 17/07). The cost of the proposal was US\$114,500.

6. Mr. Carlos Brando gave a presentation on the proposal on behalf of P&A International Marketing and its partner Radiumsystems. In response to queries, he said that ways of measuring the success of the network could include the number of projects generated, the amount of money invested and the impact on consumption. The ICO would participate in the governance of the network and would be remunerated by donations. He considered that the Promotion Fund would recoup its investment and had been advised by lawyers that there was no risk involved, as a donation scheme to the Promotion Fund was proposed. Regarding the designation of mediators, potential mediators would need to be known to the coffee community and have credibility.

7. The Executive Director said that he would look into legal aspects such as the receipt of monies from the network. He invited Members to consider whether they wished to recommend to the Board that this proposal be endorsed.

8. The Group noted that importing Members considered that this was a matter for exporting Members to decide as it involved monies from the Promotion Fund which had been financed by contributions from exporting Members. The Group further noted that exporting Members had given a mandate in September 2006 to the Executive Director to follow up the proposal. Following further consideration of the proposal in coordination meetings, the Group noted that while further clarifications had been requested as some Members had queries on aspects of the proposal, the majority of exporting Members would like to proceed with this important project. There were, however, two important issues which should be incorporated into the project by Mr. Brando:

- establishment of clear criteria to evaluate the success of the project, with a matrix where the results could be assessed by Members; and

- establishment of milestones/markers linked to a calendar for the duration of the project to enable Members to be informed of the milestones as they occurred and assess progress.

9. These two points were essential and should be incorporated into the execution of the project, with Mr. Brando to inform the Group in May of how this had been done. If they were taken into account, then exporting Members could endorse the project.

10. The Executive Director said that he would communicate the views of the Group to Mr. Brando and request him to include these points in the proposal and report back to Members on this in May. He would report to the Executive Board at its meeting on 26 January that the Steering Group had recommended that the Board should endorse the proposal. The Group took note of this information.

Item 3.3: Domestic consumption

11. The Executive Director said that the preparation of a proposal for a pilot project to expand and develop the market in selected producing countries (India, Indonesia and Mexico) was continuing. The proposal would be submitted in due course to the Virtual Screening Committee for consideration and then to the Board and Council, in accordance with ICO procedures for projects. The International Trade Centre/UNCTAD/WTO (ITC) was interested in principle in acting as Project Executing Agency for this project. The Group took note of this information.

Item 4: Market development in China

12. The Group noted that at the meeting of the Promotion Committee in September 2006, the Executive Director had raised the need to develop a strategy for China. The Executive Director said that in December 2006, he had visited Beijing to meet representatives of the Ministry of Commerce and the private sector to discuss ICO activities including promotion. There was a clear recognition of the importance of ICO promotion activities from 1998-2001 which had acted as a catalyst for increased consumption in China. He had advised the representatives that although the ICO was not in a position to finance promotion activities in China at present, it remained a priority for the future. The Group took note of this information.

Item 5: Coffee and health

13. The Group noted that the Private Sector Consultative Board (PSCB) had considered reports on the Positively Coffee Programme and the Health Care Professions – Coffee Education Programme (HCP-CEP) at its meeting on 25 January, and the Chairman of the PSCB would report on the meeting to the Executive Board. The Executive Director informed

the Group that, following the very successful seminar on Coffee and Health in Cartagena in 2003, he would be exploring the possibility of organizing a similar event with Harvard University and other interested parties. The Group took note of this information and further noted that the Chairman of the Promotion Committee would report on the activities of the Institute for Scientific Information on Coffee (ISIC) at the next meeting.

Item 6: Other business

14. The Group noted that the Association of Coffee Producing Countries (ACPC) had been wound up. An amount of some US\$14,000 had been kept back to meet possible liabilities; however it had not proved necessary to use this and a cheque for the balance remaining had been given to be credited to the ICO Promotion Fund.

Item 7: Date of next meeting

15. The Group noted that its next meeting would take place at the time of the Council session from 21 – 25 May 2007.