



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

WP VSC 7/09

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Report

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**Report of the 3rd Virtual Screening
Committee meeting of 16 March 2009**

1. The 3rd physical meeting of the Virtual Screening Committee (VSC) took place on 16 March 2009. The Executive Director welcomed Ms Mirian Therezinha S. da Eira of Brazil, Mr Mel Eric Gahié of Côte d'Ivoire, Mrs Esther Eskenasy of Guatemala, Ms Yatty Husniaty and Mr Surip Mawardi of Indonesia, Mr Massimiliano Fabian and Mr Alessio Colussi of Italy, Mr Vicente Cano of Spain, and Ms Dawn Thomas and Mr Fernando Vega of the United States, all active Members of the Committee. The meeting was chaired by Mrs Lilian Volcan, Economist of the International Coffee Organization (ICO).

Item 1: Adoption of the Agenda

2. The Committee adopted the draft Agenda contained in document WP-VSC 6/09.

Item 2: Preparations for the International Coffee Agreement (ICA) 2007

3. The Committee noted that Articles 28 and 31 of the ICA 2007 (relating to the establishment of the Projects Committee and the Consultative Forum on Coffee Sector Finance, respectively), were of particular relevance to future work on project activities. It further noted that the role of the VSC continued to be at the level of screening projects, and made the following recommendations:

- (a) the methodology of the Common Fund for Commodities (CFC) should continue to be used for screening as it is standard for most international aid agencies and provides a good starting point if proposals needed to be adapted for other donors;
- (b) the existing tools for screening projects (i.e. checklist, the ICO development strategy for coffee and the CFC Manual for the preparation and management of projects) should continue to be used, and the VSC should provide the Projects Committee with a VSC report summarizing the outcomes of its technical appraisal;

- (c) since the development of full proposals is costly and time-consuming, ICO Members should be encouraged to submit concept notes for new project ideas (following the format of CFC project profiles) rather than fully developed proposals. This would help to prevent wasting time and resources before a decision is made on whether or not projects are eligible for submission to donors. This would also allow flexibility to adapt proposals in terms of size, timeframe, geographical implications and budget in response to suggestions from donors;
- (d) the ICO document 'Basic information on the submission of applications to the Common Fund for Commodities for financial support for activities related to coffee' (EB-3573/96 Rev. 4) should be updated to provide Members with guidelines on how to further streamline the process of project submission to the ICO;
- (e) since the concept note is considered favourably by the CFC, the ICO should ask the CFC Secretariat to include it on the Agenda of the Consultative Committee (CC) as a separate item in addition to the two fully developed projects (or full proposals) that the ICO is entitled to submit to the CFC in January and July;
- (f) all new proposals (in the form of concept notes) should be screened for similarities with proposals already in the pipeline by the VSC;
- (g) in the case of new proposals which were not eligible for CFC funding, the ICO should assist with the screening and, if appropriate, provide technical endorsement for submission to other donors. A list of potential non-CFC donors should be provided by the project beneficiary countries; and
- (h) the appraisal of projects by the ICO should involve a two step process as follows:
 - Step 1:** selection by the Projects Committee, based on technical advice from the VSC. It was recommended that VSC Members should attend the meetings of the Projects Committee; and
 - Step 2:** final approval by the Council.

Item 3: Priority areas for projects

4. The VSC noted that the number of projects in the pipeline continued to increase and suggested that as some of them were probably outdated, projects currently in the pipeline should be reviewed. This was considered to be a political decision which might imply either a recommendation by the Projects Committee on new donors (in order to secure the US\$70.7 million required for financing projects in the pipeline), or consideration of mechanisms to 'clean' the pipeline. The following recommendations were put forward for the Projects Committee:

- (a) to consider establishing a limit for the length of time that projects should remain in the pipeline;
- (b) to establish the criteria for removing old proposals from the pipeline (i.e. date of approval, relevance to current priorities, etc); and
- (c) to consider, in the light of funding available from donors, the number of proposals that should be accepted per round and/or in the pipeline.

Item 4: Cooperation with other agencies

5. The VSC noted that there was an urgent need for new donors and recommended the following:

- (a) all new proposals should explicitly include a list of potential donors as an alternative to the CFC; and
- (b) the ICO should use its website as a platform to increase visibility of project activities in order to inform a larger number of international aid agencies about the results obtained and funding requirements.

Item 5: Feedback from the VSC on project proposals

6. In order to secure consistency during the appraisal process, VSC Members should provide the Secretariat with a completed checklist for each project proposal screened, together with additional recommendations. Based on inputs received, the Secretariat will produce a draft VSC report, which will subsequently be returned to VSC Members for the purpose of reaching an unambiguous recommendation (i.e. approved, revised or rejected) for the Projects Committee on each project proposal screened.

Item 6: Other business

7. In discussions on the draft terms of reference for the VSC (document WP-Board 955/04 Rev. 1), it was agreed that a new name was needed for this body. The following suggestions were made: Project Proposals Screening Committee; Projects Screening Committee; Proposals Screening Committee; Screening Committee or Screening Group.

8. Given the importance of this appraisal work, it was also suggested that physical meetings should be more regular and that the designated contacts of ICO Members joining the ICA 2007 should be invited to participate in the VSC, in view of the time required for familiarization with procedures. It was also noted that the one-year term for Projects Committee Members, as provided for in the terms of reference, could be too short.

Item 7: Report to the Executive Board

9. The Committee noted that the Chairperson would report on the meeting to the Executive Board.