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INTERNATIONAL  
COFFEE  
ORGANIZATION

ED 2159/13

15 August 2013  
Original: English

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**3<sup>rd</sup> Consultative Forum on  
Coffee Sector Finance**

**Belo Horizonte, Brazil – 10 September 2013**

1. The Executive Director presents his compliments and has the pleasure of inviting Members, Private Sector Consultative Board (PSCB) associations and observers to attend the 3<sup>rd</sup> Consultative Forum which will take place on Tuesday, 10 September 2013 from 09:00 to 17:30. The event will take place in Belo Horizonte, Brazil, during the week of the 111<sup>th</sup> Session of the Council and will be held in **English only**. Further information about the Council and other meetings is contained in document ED-2153/13.
2. The objective of the event is to identify best practices and disseminate information to Members about farmer aggregation as a platform through which access to finance and risk management could be achieved more effectively. A draft programme and the terms of reference developed by the Core Group are attached (originally circulated in ED-2158/13). The Executive Director wishes to recommend representation at the event by all ICO Member Governments and encourages those in attendance to engage in a robust discussion on this important topic.
3. The event is free of charge and is open to ICO Members, representatives of PSCB associations and invited observers attending the 50<sup>th</sup> anniversary meetings.

**Registration**

4. Registration is required to participate in the Forum. Members and observers are requested to confirm their attendance by completing and returning the form attached to this document by **26 August 2013** to assist the organizers in allocating participants to small discussion groups.

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**3<sup>rd</sup> CONSULTATIVE FORUM ON COFFEE SECTOR FINANCE: AGGREGATION  
BELO HORIZONTE, BRAZIL**

**PROGRAMME**

**Tuesday, 10 September (09:00 – 17:30)**

**Mini-plenary Room (Level 2), Expominas Conference Centre  
Belo Horizonte, Brazil**

- 08:30 – 09:00 **Registration**
- 09:00 – 09:20 **Welcome and opening remarks:**  
Executive Director, ICO  
Consultative Forum Chairperson
- Overview of the day:** Facilitator – Robert Nelson, CEO of the National Coffee Association of USA
- 09:20 – 10:00 **Expert remarks on the state of farmer aggregation and a review of the basic principles of cooperative development**
- Alex Serrano, Vice President, Program and Business Development, National Cooperative Business Association, CLUSA International
  - Dan Zook, Citi/Skoll project leader, Dalberg, Global Development Advisors
- 10:00 – 12:30 **Scenario exercise in small discussion groups assisted by experts:**
- Jos Algra, NovoTRADE Consult bv, Netherlands
  - Harrison Banda Kalua, Chairman of AFCA and Head of Mzuzu Coffee Cooperative, Malawi
  - David Browning, Senior Vice President, Strategic Initiatives, Technoserve USA
  - Dr Dave A. D’haeze, Regional Representative, Embden Drishaus & Epping Consulting GmbH Representative Office Asia Pacific, Vietnam
  - Carlos Alberto Paulino da Costa, President, Cooxupe
  - Han de Groot, Executive Director, UTZ Certified
  - Steven Frondriest, Agricultural Officer, US Agency for International Development, USA
  - John Horton, Agricultural Economist, Inter American Development Bank
  - Alvaro Llobet Toledo, Coffee analyst, Costa Rica
  - Tadesse Meskela, Managing Director, Oromia Farmers Coop Union, Ethiopia

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**3<sup>rd</sup> CONSULTATIVE FORUM ON COFFEE SECTOR FINANCE: AGGREGATION  
BELO HORIZONTE, BRAZIL**

**PROGRAMME (CONTD)**

**Tuesday, 10 September (09:00 – 17:30)**

**Mini-plenary Room (Level 2), Expominas Conference Centre**

**Scenario exercise with small discussion groups assisted by experts: (Contd)**

- Robert Nsibirwa, Treasurer, Board of Directors, AFCA, Uganda
- Juan Esteban Orduz, President, Colombian Coffee Federation, Inc., FEDECAFÉ
- Roy Parizat, Senior Economist, Agricultural Finance and Risk Management Team, World Bank
- Melanie Rutten-Suelz, Executive Director, 4C Association
- Moenardji Soedargo, Member of Indonesia Coffee Exporters Association (GAEKI)
- Thaleon Termain, Pachamama Coffee Cooperative, USA
- Lakshmi Venkatachalam, Vice President, Private Sector and Cofinancing Operations, Asian Development Bank (ADB)
- Michael Wheeler, Overseas Representative, Papua New Guinea Coffee Industry Corporation Ltd.
- Miguel Zamora, Director of Coffee, Innovation & Producer Relations, Fair Trade USA

10:50 – 11:05 **Morning coffee break**

12:30 – 13:30 **Lunch**

13:30 – 13.45 **Expert remarks on the state of farmer aggregation**

Lakshmi Venkatachalam, Vice President, Private Sector and Cofinancing Operations, Asian Development Bank (ADB)

13:45 – 17:15 **Force field problem solving exercise (in small groups)**

15:30 – 15:45 **Afternoon coffee break**

17:15 – 17:30 **Concluding remarks: Forum Chairperson**

**3<sup>rd</sup> CONSULTATIVE FORUM ON COFFEE SECTOR FINANCE**  
**10 SEPTEMBER 2013**

**TERMS OF REFERENCE**

**Background**

1. The International Coffee Agreement 2007 provides for a Consultative Forum on Coffee Sector Finance to 'facilitate consultation 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.'

**Date and venue**

2. The 3<sup>rd</sup> Consultative Forum will take place at the Expominas Conference Centre in Belo Horizonte, Minas Gerais, Brazil from 09:00 to 17:30 on Tuesday 10 September, during the week of the 111<sup>th</sup> Session of the International Coffee Council.

**Objective**

3. The objective of the 3<sup>rd</sup> Forum is to identify best practices and disseminate information to Members about aggregation as a platform through which access to finance and risk management could be achieved more effectively. The Forum will attempt to formulate concrete strategies that can be employed to build the capacity and enhance the development of farmer organizations. The outcomes may be incorporated in an ICO declaration setting out priorities and recommendations for the coffee sector. The objective will be achieved through the discussion of case studies and the application of a force field problem-solving model.

**Scenarios**

4. A diverse set of case studies on the following topics will be used as the basis for small group discussions amongst delegates and experts:

Case Study A – The pre-cooperative phase: The first step in farmer organizations

Case Study B – The emerging phase: Registration as a legal entity

Case Study C – The growth phase: Reaching critical mass

Case Study D – The growth phase: Meeting the never-ending challenges

Case Study E – The emerging cooperative phase: Deciding to stay together

Case Study F – The established and growing phase: How should we grow

Case Study G – Mature cooperative phase: Growing and consolidating a coffee relationship

5. The purpose of the scenario exercise is to engage the entire audience in the identification of best practices and the challenges that farmers face in developing farmer organizations or efficiently achieving the objectives of their organizations.

### **Force field problem-solving model**

6. The Forum will also employ a force field problem-solving model to identify current environmental forces that lend themselves to farmer aggregation (driving forces) and those that create barriers to aggregation (restraining forces). Driving forces promote change and restraining forces inhibit change. The identification of driving and restraining forces will provide an opportunity to explore strategies for strengthening aggregation and weakening barriers to aggregation.

### **Structure**

7. In the morning, all participants will be assigned to specific tables to ensure experiential and geographic diversity at each table. The make-up of the groups will be altered for the afternoon session.

8. The Forum will open on the morning of Tuesday 10 September with brief introductory remarks, an overview of the current state of farmer aggregation and a review of basic principles of cooperative development. Participants will then engage in small group dialogue about pre-developed, pre-circulated scenarios that contain discussion questions. Although the scenarios will be provided in the four official languages of the ICO, the small group dialogues will be conducted in English. The small table discussion groups will report their findings back to the larger plenary group. The scenario exercise will be followed by a brainstorming exercise designed to identify the driving and restraining forces, as referred to above. The day will end with the participants developing strategies, based on the learnings from the scenario and brainstorming exercises, that could be implemented to either strengthen the driving forces or weaken the restraining forces.

9. Issues to be covered will include:

- Core factors for success.
- What works well as well as what does not work in different countries and in other commodities.
- Different models for aggregation.

- Capacity-building for producers as well as financial services on offer to help them better understand the risks and the opportunities involved.
- Productivity (e.g. sustainable production and yields).
- Agricultural and collateral finance issues (as aggregation alone is not a solution but rather a platform through which access to finance and other issues could be achieved more effectively).

### **Participants**

10. The event will be attended by ICO Members and observers and private sector representatives. In addition, experts in farmer aggregation of both genders and from different geographical and coffee-growing regions have been invited who will form an 'Expert Nucleus' for the session (see programme for more details).

### **Logistical arrangements**

11. The Forum will take place at the Expominas Conference Centre in a meeting room, set with a podium and microphone. A wireless microphone will be available for the facilitator. Microphones will also be available for the small groups to report back to the larger group. The participants will sit in groups of 10 at round tables. This room will include flip chart easels and flip charts (along with multi-colored markers).

12. Interpretation will not be available however; the actual scenarios will be translated into the four official languages.

### **Additional information**

13. The World Bank is developing three studies on global best practices on risk management and finance applicable to coffee in collaboration with ICO Members. The studies are aimed at producers, the commercial sector and governments (see document CG-7/13). A progress report on the studies will be presented to the Council during the 111<sup>th</sup> Session (see CG-12/13).

### **Follow up**

14. The Chairperson of the Forum, the Executive Director and the facilitator will work together to prepare a document reporting the results from the Forum. At its meeting on 12 September, the Core Group will consider the strategies and conclusions of the Forum and will finalize the draft document for submission for approval by the International Coffee Council.

15. The outcomes of the Forum will then be used by the ICO to execute (or act as a catalyst for) risk management and finance solutions as well as for a roadmap for future Core Group discussions or Forum activities/topics.

#### **Dissemination of Forum results**

16. The results of the 3<sup>rd</sup> Forum will be disseminated as follows:

- Copies of the Declaration, presentations, reports, press releases, news items and audio recordings of speakers will be posted in all four languages on the home-page and the Forum section of the ICO website. They will also be distributed electronically to Members, PSCB and non-member countries with a request to disseminate the results of the Forum as widely as possible to representatives of the coffee sector and policy-makers in their countries. Members will also be encouraged to issue press releases to publicize the results of the Forum and generate interest in it in their countries.
- The Declaration, presentations, reports and press releases will be issued to national and international media.
- Journalists covering coffee will be briefed about the outcomes at a press briefing during the week of the meetings.
- Relevant international organizations will be requested to post materials on their website (e.g. Common Fund for Commodities (CFC), Food and Agriculture Organization of the United Nations (FAO), International Trade Centre (ITC), World Bank, USAID).
- CD-Roms will be prepared with all Forum materials and disseminated by the Executive Director and members of staff on missions and conferences.
- CoffeeClub will post links to the Forum and may create a community for the Forum, mediated by an expert.
- A summary of the proceedings of the Forum will be included in the Annual Review.
- Social media: the ICO Facebook page will include links to the Forum (<https://www.facebook.com/pages/International-Coffee-Organization/196425447100713>).
- A one-two page Executive Summary or fact sheet distilling the main points and themes of the Forum will be prepared for distribution on missions by the Executive Director and his staff.

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22 Berners Street  
London W1T 3DD  
United Kingdom

**3<sup>rd</sup> CONSULTATIVE FORUM ON COFFEE SECTOR FINANCE  
10 SEPTEMBER 2013 (09:00 – 17:30)**

**ATTENDANCE FORM**

**I will/will not\*** attend the above event on 10 September (a separate form should be completed for each participant).

Name of ICO Member country/PSCB association/observer: .....

Name: .....

Position: .....

Organization/company: .....

Phone: .....

Fax: .....

Email: .....

**The event is free of charge to ICO Members, representatives of the PSCB associations and invited observers.**

*\* Please delete as appropriate*

**Please return to:**  
Executive Director  
International Coffee Organization  
22 Berners Street  
London W1T 3DD  
United Kingdom

Tel.: +44 (0) 20 7612 0600  
Fax: +44 (0) 20 7612 0630  
Email: [deschamp@ico.org](mailto:deschamp@ico.org)