



INTERNATIONAL COFFEE ORGANIZATION
ORGANIZACIÓN INTERNACIONAL DEL CAFÉ
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**Theoretical costs of the Consultative
Forum on Coffee Sector Finance**

Background

This paper outlines the possible costs of the Consultative Forum on Coffee Sector Finance and the assumptions underlying such costs.

Action

Members are requested to note this document.

THEORETICAL COSTS OF THE CONSULTATIVE FORUM ON COFFEE SECTOR FINANCE

1. In preparation for discussions on the nature and format of the first meeting of the Consultative Forum on Coffee Sector Finance and in the light of paragraph 2 of Article 31 of the 2007 International Coffee Agreement, which provides that the Forum shall be self-financing unless the Council decides otherwise, it was felt desirable to estimate the likely costs of holding such a meeting. This information could also be used to support Members' discussions on possible sources of funding.

2. It will be appreciated that any estimate at this early stage in planning the Consultative Forum must necessarily be approximate: no date has yet been set for such a meeting, nor has its location or the identity of the speakers been determined. The assumptions underlying such an estimate are therefore as important as the costs themselves.

3. The following are the main assumptions used in calculating the estimate:

- a) It is assumed that the event would take place at the ICO headquarters in London, in accordance with paragraphs 5 and 6 of the Terms of Reference for the Forum (document ICC 102-11), which states that it shall normally be held at the seat of the Organization, in conjunction with a session of the Council. If it were to be held in a Member country, the costs would be borne by the country hosting the Council session.
- b) The Forum would last for one day and would be held during one of the Council's regular sessions. If this were not to be the case, it is likely that costs would increase considerably.
- c) The meeting, and any associated documents, are conducted in all four official languages of the ICO. Thus, a team of 8 interpreters is required for the day, all except one of whom are based in London. Documents are similarly produced in the four official languages and it is estimated that this will require three days of work in each language. Clearly the accuracy of this assumption will depend on the volume of documents eventually produced.
- d) Coffee and other drinks are provided throughout the day and a reception for 150 attendees is held in the evening.
- e) Five speakers are invited from Central/South America, Asia, Africa and Europe. Cost estimates for travel and subsistence are based on those paid to the speakers at the Seminar on the Coffee Berry Borer held on 17 March 2009,

plus a 10% increase to cover future inflation. Although costs will depend to a significant extent upon the travel itineraries of individuals, certain costs are fixed: thus, for example, each speaker would be eligible to receive per diems and terminal expenses of circa £750 to cover three days of travelling and attending the seminar. Total costs are likely to range from £1,000 for a speaker travelling from Europe to £2,500 for speakers coming from certain parts of Africa and Asia. The average cost per speaker at the above Seminar was £1,550. No provision has been made for payment of fees to speakers.

4. On the basis of these assumptions, it can be estimated that such a Forum would cost the following:

	£
Interpretation	3,400
Translation	2,100
Speakers' travel and subsistence	8,600
Reception	2,400
Coffee bar attendants and administrative costs	500
	<u>£17,000</u>