



**Report of the meeting of the Working Group
on the Strategic Review of the ICO held on
7 September 2016**

1. The Working Group on the Strategic Review of the ICO held its sixth meeting on 7 September 2016 in London. The following Members were represented either in person or on the telephone: Bolivia, Brazil, Colombia, Côte d'Ivoire, El Salvador, European Union, Honduras, Japan, Nicaragua, Papua New Guinea, Panama, Peru, the Russian Federation, Switzerland and the United States.

Item 1: Adoption of the Agenda

2. The draft agenda contained in document [WG-13/16](#) was adopted.

Item 2: Report of the meeting of the Working Group on the Strategic Review of the ICO held on 10 March 2016

3. The Working Group approved the report on the meeting of 10 March 2016 contained in document [WG-12/16](#).

Item 3: Report of the Stakeholders' Workshop held on 7 July 2016

4. The Working Group approved the report on the Stakeholders' Workshop held on 7 July 2016 contained in document [WG-14/16](#).

Item 4: Recommendations of the Working Group on the Strategic Review

5. The Head of Operations presented document [WP-Council 269/16](#) which contains the draft recommendation on the Strategic Review prepared by the Secretariat with the assistance of the consultant, SustainAbility (for the slideshow please refer to the attached Annex).

6. Following the presentation, Members made comments on document WP-Council 269/16 which had been circulated prior to the meeting. There was a general feeling that it represented a good starting point but that further work was required before it could be endorsed by the Working Group.

7. One Member suggested that the consultation process with Members, third-parties and ICO staff which was carried out as part of the Strategic Review should have included additional actors in the coffee value chain such as traders, roasters and retailers, in order to be more comprehensive.

8. In response, the Head of Operations and the Consultant explained that the involvement of private sector companies was beyond the scope of the consultation process as initially defined. However, they suggested that the views of selected companies could be sought on the recommendations arising from the Strategic Review. It was noted that this could happen in the next phase which will include the preparation of a revised strategy (five-year Action Plan).

9. One Member felt that while the Secretariat had followed the terms of reference established in document [WP-Council 266/16 Rev. 2](#), the assessment of the progress achieved under the International Coffee Agreement(ICA) 2007 could have been more rigorous and the recommendations for sharpening the focus more concrete.

10. In response, the Head of Operations explained that the concise presentation of the progress achieved under the ICA 2007 in the document was in line with the terms of reference which state that the main focus of the document should be on the recommendations. Further, she clarified that a rigorous analysis had been carried out which included an internal assessment of the progress (via Annual Reviews and the Reports on the Programme of Activities) and an external assessment through the online survey and the one-on-one interviews with Members and third-parties.

11. Some Members raised specific initial comments on the document and suggested that they could provide more detailed comments to the Secretariat in writing.

12. With these comments in mind, the Secretariat agreed to circulate this document amongst Members inviting comments. Furthermore, it was agreed that a revised version of Document [WP-Council 269/16](#) reflecting the comments received from Members, would be prepared by the Secretariat to be released on 14 September 2016, ahead of the 117th Session of the International Coffee Council.

Item 5: Other business

13. There was no other business.

Item 6: Date of the next meeting

14. It was decided that the next meeting of the Group would be held at the ICO on Monday 19 September 2016 at 16:00.



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Strategic Review

Recommendations of the Working Group on
the Strategic Review
7 September 2016

Methodology

The Review is based on the feedback gathered through the consultation process and the outcomes of a desk study:

1. Member & Stakeholder **survey** (436 responses; >10% response rate)
2. Member & Stakeholder **one-to-one interviews** (24 Members = 85.1% of votes; 3 PSCB members; 7 third parties)
3. Staff **survey** and **workshop**
4. **Stakeholder workshop** to present/discuss initial recommendations
5. Comparative analysis of other commodity bodies



Results

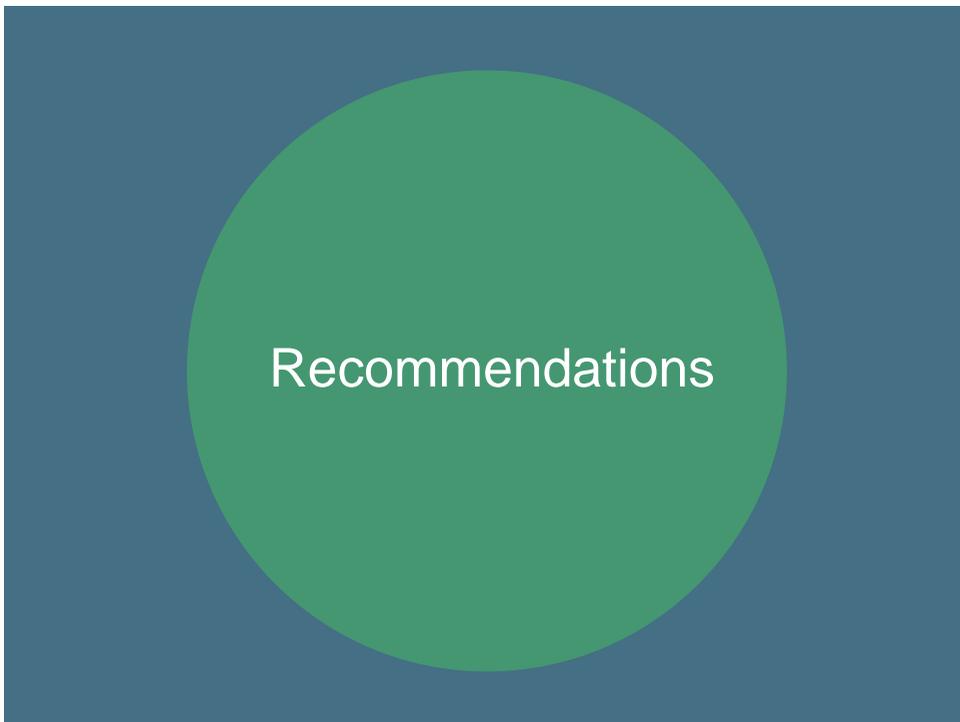
Results - opportunities and challenges faced by the ICO

Strengths	Weaknesses
<ul style="list-style-type: none">• Established and well-regarded Organization with over 50 years of experience• Public sector membership base and PSCB• 'Honest broker' for discussing coffee matters• Secretariat comprises experienced staff with strong technical expertise• Unique statistical coffee market database	<ul style="list-style-type: none">• Strategic focus too broad given available resources• Difficulty in reaching agreement on priorities because of differing needs amongst consuming and producing countries• High dependency on a unique funding source for projects• The ICO's annual budget devoted to implement its Programme of Activities relatively small• Low Member engagement in between the meetings• The strategic planning framework used by the Secretariat is limited



Results - opportunities and challenges faced by the ICO

Opportunities	Threats
<ul style="list-style-type: none">• Effectively engage Membership in between meetings• Harness status as an 'honest broker' and provide unique data and value added services to third parties• Increase collaboration with private sector sustainability initiatives via Vision 2020.• Leverage the Secretariat's resources by building partnerships	<ul style="list-style-type: none">• The ICO's revenue depends predominantly on Members' contributions• The ICO's relevance could diminish as other organisations/initiatives become more visible in areas like climate change, etc.• Outdated IT systems in the Statistics Section• Statistics Section is affected by "key man" risk• Potential implications of 'Brexit'



Recommendations

1. As part of the development of a new strategy, the ICO should:
 - a. Establish a **common understanding** on what constitutes a “**sustainable coffee sector**”
 - b. This understanding of **sustainability** should become the **guiding principle** in defining key activities, contributing to its Members’ achievement of the SDGs
 - c. Reduce number of strategic goals defined in Action Plan from 4 to 3, using goal 4 (sustainability) as overarching mission which guides all of the Organization’s activities



Recommendations - where to focus

2. To encourage the development of a sustainable global coffee sector and contribute to the SDGs, the ICO should focus on:
 - a. delivering **world-class data**, analysis and information to inform both policy makers and the industry
 - b. using its **convening power** to provide a forum for dialogue between and within public / private sectors

In addition, ICO could facilitate development **projects and programmes** through public private partnerships and other means provided that they are sufficiently funded.



Recommendations - how to focus

3. To achieve these objectives, the Secretariat should:
 - a) strengthen its **capacity** to collect, analyse and interpret data, and deliver policy advice (ICO as the coffee “think tank” focused on contributing to advancement of industry)
 - b) seek to **engage** with its Members and third parties more effectively and consistently
 - c) take opportunities to **collaborate** with key public and private actors to align objectives and activities, lead programmes where possible (revenue generating), and contribute to others’ programmes where practical



Recommendations - necessary groundwork

4. To enable the Secretariat to implement these actions it will be crucial to:
 - a. Grow and protect resources via **diversification of revenue** streams (e.g. added-value data and information services; running and hosting events)
 - b. Undertake a review to address perceived organisational weaknesses as detailed in the SWOT analysis (including development of strategic planning framework; new 5-year action plan; PoA with KPIs)
 - c. Review Members’ roles and responsibilities with a view to strengthening their contribution to the effectiveness of the ICO



Recommendations for Economics & Statistics Function

Ambition

- Become the global leader for statistical provision and analysis on coffee sector
- Maximise ICO's impact through provision of accurate, accessible data

Actions

- Develop a timed and costed plan
- Modernise skills and systems (hardware, software)
- Explore incentives for members to submit timely quality data
- Create partnerships (academic, companies) to improve data collection and analysis



Recommendations for Forum

Ambition

- Strengthen position as global authority on coffee-related matters through the facilitation of high level meetings

Actions

- Pioneer different meeting formats incl. workshops and seminars in-country and in London and financing options
- Increase Council engagement between sessions
- Deploy staff to advocate on coffee matters at high profile forums (e.g. UN, ILO, FAO) and invite external experts to ICO events



Recommendations for Projects

Ambition

- Undertake a relatively small number of high impact projects and **only with additional funding**

Actions

- Define strategy for projects including assessment criteria
- Communicate results better
- Build capacity within Secretariat to bid successfully for project funding



Recommendations for Promotional Activities

Ambition

- Focus only on International Coffee Day and make it most impactful day in coffee calendar

Priorities

- Highlight existing promotional activity being driven by Members and private sector





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