



**INTERNATIONAL
COFFEE
ORGANIZATION**

Joint meetings

PM 70/20

PJ 141/20

SC 101/20

24 September 2020

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Report of Joint Committee meetings held on 8 September 2020

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1. In view of the time constraints due to the virtual nature of the ICO meetings as a consequence of the outbreak of the covid-19 pandemic, the meetings of the **Promotion and Market Development Committee**, the **Projects Committee** and the **Statistics Committee** were held jointly in one session chaired by the Executive Director on 8 September 2020.

Item 1: Adoption of the Agenda

2. The Committee approved the draft Agenda contained in documents [PM-68/20](#), [PJ-139/20](#) and [SC-98/20](#) respectively.

Item 2: Reports of the previous meetings of the Committees

3. The Committee approved the following reports of the previous meetings of the Committees:

Item 2.1: Report on the intersessional meeting of the Promotion and Market Development Committee held on 5 February 2020 [PM-67/20](#)

Item 2.2: Report on the meeting of the Projects Committee held on 25 September 2019 [PJ-138/19](#)

Item 2.3: Report on the meeting of the Statistics Committee held on 25 September 2019 [SC-97/19](#)

Item 3: Priority issues

Item 3.1: Terms of reference for the Coffee Market Development Toolkit – *Promotion and Market Development Committee* [PM-69/20](#)

4. The ICO Statistician, Secretary of the Committee, reported on the proposed Terms of Reference (ToR), contained in document [PM-69/20](#), for the preparation of a Coffee Market Development Toolkit. The Toolkit is intended to build on learnings from the development and implementation of the *ICO Step-by-Step Guide to Promote Coffee Consumption in Producing Countries*. The Committee was briefed on the scope of work, deliverables, submission requirements and evaluation criteria as described in the proposed ToR. The Toolkit would focus on key themes identified by the Secretariat through a Member survey conducted in July–September 2019 as well as through previous meetings of the Promotion and Market Development Committee. The consulting

individual or team would be expected to work within the framework of these themes and, would also be required to confer with key stakeholders including governments, the private sector, intergovernmental organisations, and international NGOs while preparing the Toolkit.

5. A delegate enquired about funding for the project and stressed the need for a transparent process at the time of selection of candidates. The Statistician noted that the Organization would seek extrabudgetary funds for the project in coffee year 2020/21. The Executive Director emphasized that the consultancy would be open to everyone and that applicants would be evaluated based on the criteria identified in the ToR. Regarding the funding, the project cost was expected to be shared with the Coffee Public-Private Task Force (CPPTF) and other ICO partners. The Head of Operations further clarified that the project had been identified as one of the possible 'quick wins' in the CPPTF and called for the support of Members in the form of voluntary contributions to undertake the project. Other delegates highlighted the positive impact of the Step-by-Step Guide and the importance of the project for the coffee sector in producing countries. They expressed their interest in working together to implement the learnings from the Toolkit and appealed to donors to invest in the project.

6. The Committee approved the Terms of Reference.

Item 3.2: Building the post-covid-19 resilience of Africa's [PJ-140/20](#) coffee sector to market disruptions, food, nutrition and income security – *Projects Committee*

7. The Chief Economist, Secretary of the Committee, presented document [PJ-140/20](#) containing a new project proposal entitled "Building the post-covid-19 resilience of Africa's coffee sector to market disruptions, food, nutrition and income security" prepared by the Inter-African Coffee Organisation together with the ICO Secretariat and CAB International. The proposal aimed to establish systems and agricultural practices which will ensure a sustainable intensification of the smallholder coffee farming systems in a manner that ensures income security free from the price shocks in the international markets and any futures disruptions, guarantee food and nutrition security of the smallholder coffee systems and promote the creation of entrepreneurial jobs beyond farming, both in the rural and urban centres. Participating countries, that responded to the call by IACO, included Cameroon, Côte d'Ivoire, Ethiopia, Gabon, Ghana, Guinea, Kenya, Rwanda, Sierra-leone, Togo and Uganda.

8. The total cost of the project was estimated at euro 12 million over 3 years. As an emergency intervention to alleviate the impact of the covid-19, it was expected that the cost would be supported through grants from development partners (9.6 million euros) and counterpart contribution of recipient countries (2.4 million euros). In the medium and long terms, the resilience created was expected to make operators eligible for loan financing requests and improve their ability to consolidate their investments, thus creating business for the banks. The proposal, which was supported by the African Union Commission, had been submitted to the European Commission for grant financing. In addition to its contribution to the design of the concept, the ICO Secretariat expected to assist African countries by monitoring and evaluating the project, as well as helping raise the necessary funds.

9. The committee noted the importance of the proposal as a relevant contribution to alleviate the impact of the ongoing pandemic. Other African countries including Burundi and the Democratic Republic of Congo requested to be included in the project. The Committee further requested that similar proposals be designed for other ICO Member countries of other regions, including Latin America and Asia & Oceania, as they have also been affected by the pandemic. The Executive Director took note of this recommendation.

10. The Committee approved the proposal and recommended its endorsement by the Council.

Item 3.3: Compliance indicator – *Statistics Committee*

11. The Chief of the Statistics Section, Secretary of the Committee, presented document [SC-99/20](#), which is the second report on Member compliance with the Rules on Statistics using the new indicator framework introduced in document [SC-87/18](#) during the 15th meeting of the Statistics Committee. In its assessment of Member compliance for coffee year 2018/19, the Secretariat considered all the information received up to 31 July 2020. The Chief of Statistics noted that the compliance indicators not only allowed Members to quickly ascertain their compliance but also showed the strengths and weaknesses of the ICO coffee statistics. Additionally, the Secretariat also considered information published online on official government websites such as those for national statistical offices or ministries of agriculture.

12. The Chief of the Statistics Section reported that the overall score for exporting Members increased by 2 points to 19 out of 100, partly due to efforts by the Secretariat

to find and collect statistics from official government websites as well as some Members submitting more reports. However, the overall score remained low, since 16 exporting Members had not submitted any reports for the period under review and the volume of reports continued to be a challenge.

13. Regarding importing Member compliance, the Chief of the Statistics Section stated that the total score for importing Members was 61 out of 100 for coffee year 2018/19. While all importing Members submitted some reports during the period under review, data on roastings and inventories were the least frequently reported.

14. Ambassador Subedi, of Nepal, the chair of the Statistics Committee, provided his comments on the work of the Statistics Committee and notified Members it would be his last meeting. ICO Members and the Executive Director expressed their deep appreciation for his work during his time at the ICO and wished him the best success in his future endeavours.

15. The delegate from Peru stated that they supported continuing to use the current conversion factors for the types of coffee listed in sub-paragraphs (d), (e), (f) and (g) of Article 2 of the International Coffee Agreement 2007.

16. The delegate from Indonesia noted that the compliance indicator was used as a key performance indicator by the Secretariat in supporting the Programme of Activities and that Members' commitment to comply with the submission of statistical data in accordance with the Rules was critical for the ICO to provide world class coffee data and improve market transparency. He also noted that collecting statistical data remained challenging for Members, particularly when there were discrepancies between different national sources of data, and to address these issues, requested that the Secretariat assist Members to develop data collection and reporting methodologies as well as build capacity through workshops.

17. The delegate from Uganda stated their concern about farmgate prices, particularly when comparing them to the retail price for a cup of coffee. The delegate expressed an interest in seeing statistics on what constituted good farmgate prices, noting that would be in line with the resilience project for value addition that was presented earlier. He stated that Uganda was one of the largest coffee producers in Africa, but that farmers received poor remuneration for their hard work while imports were increasing. He suggested that this issue should be debated to develop a policy framework that benefit all actors along the global value chain from producer to consumer.

18. The Committee took note of the report.

Item 3.4: Update on the new statistical database – *Statistics Committee*

19. The Chief of the Statistics Section provided a report on the upgrade of the ICO's statistical database. Using procurement procedures applicable in a multilateral environment, the Secretariat selected Paramarsh Informatics Pvt. Ltd., based in India, for the consultancy to upgrade the ICO's database and application. She noted that much of the online database had been developed and was currently undergoing user acceptance testing. The database application was expected to be online and open to the public by the end of the year. The upgrade of the database addressed concerns over security. The database application would now be hosted online making it easier for Members and subscribers to access the data they need in a timely manner. Further, this would allow the ICO to increase the fees it charged for subscription services and ad-hoc data reports.

20. The Executive Director noted that the upgrade of the statistical database was an important part of the work of the Statistics Section that would allow fees for data products to be adjusted in order to increase income for the ICO, and the upgraded database was also one of the key products of the Programme of Activities.

21. The Committee took note of the presentation.

Item 3.5: New daily price indicators – *Statistics Committee*

22. The Chief of the Statistics Section informed Members that the current agents that provide the data for the ICO indicator price expressed that they would no longer be able to provide this information in the near future. She stated that the Secretariat was exploring options to get price data directly from traders, which would help lower the costs of obtaining this data. It was emphasized that this was a unique data set that was used widely, including by other international organizations such as the World Bank. Once the new process was finalized, the Rules on Statistics: Indicator Prices ([ICC-105-17](#)) would be revised to take into account the new procedures and would require approval by Members.

23. The Committee took note of the report.

Item 3.6: Proposal received from Colombia to modify the Rules on Statistics – Certificates of Origin – *Statistics Committee*

24. The Chief of the Statistics Section noted that a communication had been received from Colombia concerning four proposed changes to the Rules of Statistics – Certificates of Origin ([ICC-102-9 Rev. 1](#)). The first proposal was to add “or certifying agency” to the definition for date of export, which would bring the definition in line with the previous amendments that allowed for either the Customs or the Certifying Agency to stamp and sign the official Certificate of Origin. The second proposal was to add a new paragraph to Rule 2, Specifications for Certificates of Origin, which would allow for the issuance of Certificates of Origin in an electronic/digital format. The third proposal concerned Box 2 on the Certificate of Origin, which asked for the notify address, and would add language to enter the name of the type of transport document in cases where the notify address is unknown. The last proposal was to amend Box 9 on the Certificate of Origin from asking for the name and code of the carrier vessel on board of which the coffee is to be shipped to instead enter the type of transport used to ship the coffee.

25. In reviewing the Rules, the Secretariat noted the definition for organic coffee contained in paragraph 15 of Annex II-A, General guidance for completion of ICO Certificates of Origin, needed to be updated to take into account the current definition used the specifications set out in ISO Guide 65 – General Requirements for bodies operating products certification, which had been revised to ISO/IEC 17065:2012. The Chief of the Statistics Section reported that there was no impediment with regard to the ICO statistical database for making these changes, and in some cases, would simplify the process for both Members and the Secretariat.

26. The Executive Director thanked Colombia for submitting the proposals, which would streamline the process for Certificates of Origin. He noted that it was important for Members to use the Certificate of Origin system as it was a rich source of information for Members that was not readily available in customs statistics.

27. The Committee recommended the proposed changes to the Rules on Statistics: Certificates of Origin, contained in document [SC-100/20](#), for approval by the Council.

28. The Committee took note of the progress report.

Item 4: Other business

29. There was no other business.

Item 5: Date of next meetings

30. The next meetings of the Promotion and Market Development Committee, the Statistics Committee and the Projects Committee will take place at the time of the 128th Council Session.