



**Report of the 16th Meeting of the Working
Group on the Future of the International
Coffee Agreement held on 5 August 2021**

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The Working Group on the Future of the International Coffee Agreement (WGFA) met for the sixteenth time on 5 August 2021. The Chair, Ms Stefanie Küng, of Switzerland, welcomed all participants and thanked delegates for their presence.

Representatives of the following Members were present online using the Zoom software: Brazil, Colombia, Congo Dem. Rep., Cuba, European Union (Sweden), Honduras, Indonesia, Japan, Mexico, Nicaragua, Panama, Peru, Russia, Switzerland, Vietnam and Togo.

Item 1: Adoption of the Agenda

1. The agenda contained in [WGFA 71/21](#) was adopted.

Item 2: Report of the 15th meeting of the Working Group held on 8 July 2021

2. The Chair presented the report of the previous meeting, contained in document [WGFA-70/21](#).
3. The Working Group took note of the report.

Item 3: Votes and contributions

4. On votes and contributions, the Chair recalled the decision of Member States to concentrate the work of the WGFA on options V1.3, C1.2.3 and C2.3 of document [WGFA-65 Rev. 1](#). In this sense, the Secretariat was instructed to present draft versions of Articles 12 and 20, which were first submitted to the Drafting Group on 23 July 2021 and then revised to take into account comments collected within the Drafting Group meeting.
5. Before reporting on document [WGFA 69/21](#), the Executive Director made a summary of the progress made so far based on the discussions held within the most recent WGFA meetings:
 - Decision to cut the link between votes and contributions, if so desired by Members.
 - Decision to maintain the distinction between exporting and importing countries in the determination of votes.
 - Openness to change, in principle, the distinction between exporting and importing countries in the determination of contributions.

- Consensus on adoption of a different variable for the calculation of votes, one using a mix of 50% of value and 50% of volume (option V1.3).
- Openness to adopt, in principle, a different variable for the calculation of contributions (value or a combination of both volume and value).

6. The Executive Director then illustrated the different proposals included in document [WGFA-69/21](#), namely:

- Draft texts for Article 12 on votes, based on outcome V1.3 as per prior discussions within the WGFA
- Draft texts for Article 20 on contributions, based on the two options still under evaluation, C2.3 and C.1.3.
- Proposal to review the fixed and basic votes and minimum contribution system, based on the existing system.
- Proposal to review the cap on votes and contributions, based on the existing system and limited to outcome V1.3 and option C1.2.3 (option C2.3 excluded).

7. Two pending issues previously discussed within the Drafting Group were brought to the attention of the WGFA.

- With reference to systems regarding the accession and withdrawal of Members and their impact on the budget, it was highlighted that in case of withdrawal Outcome C2.3 would eliminate a “doubling” effect, wherein any reduction in the contributions of one category of Members (exporting or importing) must be matched by an equal reduction in the contributions of the other category. Further discussions to determine how accession would work would still be necessary.
- On the question of transitional arrangements, voluntary contributions to the Coffee Public-Private Trust Fund from Members that benefit from the change in methodology for calculation of contributions have been proposed.

8. Before opening the floor, the Chair highlighted the importance of narrowing down the options regarding contributions, as it has already been done in the case of votes, where a general preference for Outcome V1.3 had already been expressed.

9. The delegate of Vietnam reiterated his preference for the proposal presented by Vietnam to calculate votes based on 100% volume (V1.2). In this sense, both the Chair and the Executive Director reminded that no final decision has been made yet and therefore Outcome V1.2 was still on the table.

10. The Delegate of Brazil reminded that this point was extensively discussed in the previous meetings, including the last meeting of the Drafting Group. A majority of Members had consistently expressed themselves in favour of the 50%-50% mix for calculation of contributions and votes. He urged the WGFA to move forward with the discussion on this topic in order to focus on the question of the role of the private sector.

11. The delegate of Vietnam informed that he would once again report to the Government of Vietnam and revert to the WGFA with a final decision on this topic.

12. The Chair informed the Government of Switzerland had a clear preference for option C2.3, especially because of the modalities for accession and withdrawal foreseen in that option.

13. The delegate of Mexico expressed himself in favour of the consensus reached on votes, adding that the option of basing the calculation on 100% trade did not reflect the spirit of other ICO initiatives. Although option C1.2.3 would imply an increase in the contributions for Mexico, this would still be the best option for the Organization in the medium and long term.

14. With reference to contributions and specifically to the pending point regarding accession and withdrawal, the Executive Director recalled that Members strongly suggested that the Secretariat identify a mechanism allowing the Organization to benefit from the accession of new Members. In this sense, the Secretariat would continue to work towards the identification of a viable solution for presentation at the next WGFA meeting.

15. With reference to Articles 12 and 20, the delegate of Japan informed that his country would formally submit proposals in writing to the Secretariat in the near future.

Item 4: Role of the Private Sector

16. The Chair recalled that in previous meetings, Members had highlighted the importance of integrating and granting representation within the ICO governance system not only to the private sector but also to civil society while ensuring a voice also for smallholders and sector associations.

17. The Head of Operations summarized the discussion held so far on the role of the Private Sector within the next ICA, reflected in the below points:

- Different models for non-governments membership (ITU, UNWTO, ILO, etc.) and institutional framework options had been discussed;

- General agreement on the need to maintain the intergovernmental nature of the ICO.
- Agreement to formally integrate the Coffee Public-Private Task Force (CPPTF) within the International Coffee Agreement 2021.
- Agreement to reform the Private Sector Consultative Board (PSCB) and replace it by establishing a body of Affiliate Members (AMB), comprising the private sector and the civil society (NGOs, academia, development partners, etc.).

18. The Head of Operations highlighted the importance of agreeing on definitions of “private sector” and “third sector/civil society” within the new ICA, mainly to avoid misunderstanding on roles and engagement with the ICO and to define who would be allowed to be an Affiliate Member. In this sense, the Secretariat suggested to refer to definitions already approved by ICO Member States through their membership with other international organizations (FAO, UNDP, etc.). The presentation with the definitions is attached to this report.

19. With reference to the Affiliate Members body, the Head of Operations pointed out the necessity to first agree on the principle of affiliation and then define i) who could be a member (based on the definitions mentioned at point 18); ii) the modalities for accession and engagement with the International Coffee Council (ICC); iii) the procedures regulating their participation within the new ICA; iv) the benefits related to the “Affiliate Member” status.

20. The Chair then opened the floor for comments.

21. In the view of the delegate of Brazil, Affiliate Members should be presented and endorsed by a Member State of the ICO, prior to the submission of their approval to the ICC. Specifically referring to Affiliate Members of the private sector, support was expressed only for the accession of associations, excluding private companies and therefore allowing representation of the sector as a whole and not individually. The delegate of Brazil supported the idea of granting Affiliate Members the possibility of participating in the ICC sessions, with no right to vote and, in principle, with the right to intervene. He expressed his approval to the creation of a fee structure for the purpose of membership, to be equally applied to all potential Affiliate Members.

22. The delegate of Nicaragua expressed her concerns on the risk of depriving the ICO of its intergovernmental nature if Affiliate Members were to be allowed to participate in the ICC. Wider participation and collaboration with the private and third sectors were

desirable, but the decision-making process should remain a prerogative of Member States. With reference to the accession of Affiliate Members, she supported the idea of having new members presented and endorsed by Member States and disagreed with the application of an accession fee, as this would prevent producers' associations – especially from small countries – from participating in the dialogue with the ICO.

23. In response to the delegate of Nicaragua, the delegate of Brazil affirmed a symbolic fee would be a way to ensure the Affiliate Member's commitment to the ICO and to create a more solid sense of membership in the Organization. The creation of an *ad hoc* mixed committee comprising private sector and civil society representatives and all Member States could be a possible option to allow a direct and constant dialogue among the parts before each ICC session, thus avoiding open interventions of non-governmental representatives within the ICC.

24. The Head of Operations clarified that none of the options considered for the discussion on the role of the private sector within the new ICA would in any way modify the intergovernmental nature of the ICO, since decision-making powers would always belong to Members. Allowing spokespersons of the private sector and civil society to present and report to the ICC would be a way to give voice to their concerns and bring them to the attention of the ICC.

25. In answering the Head of Operations, the Chair confirmed that there was a general consensus on the will to grant affiliation/membership status not only to the private sector but also to civil society, therefore ensuring full representation of the whole coffee sector.

26. The delegate of Honduras fully supported wider participation of the private sector in the ICO, specifying clear procedures would need to be defined in order to clarify their role within the ICO. In this sense, he informed he would present some proposals during the next WGFA meeting.

27. Considering the valuable inputs provided by delegates have met, in principle, consensus also of the other representatives of Member States, the Executive Director informed the Secretariat would proceed to draft concrete proposals on the topic.

Item 5: Draft of the International Coffee Agreement 2021

28. The Chair recalled that the Secretariat had been requested to put together a draft International Coffee Agreement (ICA) based on the deliberations held at the meetings of the WGFA. Although not all the delegations that had promised to send their proposals

had done so, she proposed that the Drafting Group meet on 19 August to start examining the draft text of the new Agreement. The Chair informed the Drafting Group should begin with the Preamble, whose draft text would be made available for online editing by the Secretariat.

Item 6: Next steps

29. On votes and contributions, the Chair noted the existence of a general consensus to use options V1.3 and C2.3 respectively. However, she highlighted that Vietnam supported option V1.2 for votes and C2.2 or C1.2.2 for contributions, while the delegate of Mexico had favoured option C1.2.3 for contributions.

30. Furthermore, Japan would formally present written proposals on the draft texts of Articles 12 and 20, contained in document [WGFA-69/21](#).

31. The Chair informed the Secretariat would also present draft proposals on the pending issues.

32. With reference to the role of the private sector, the Chair informed the Secretariat would prepare draft proposals based on the discussion and contributions collected during the WGFA meeting; she also confirmed Honduras would present draft proposals on the topic to the Secretariat.

33. She informed that the Drafting Group would meet on 19 August, in order to start reviewing the Preamble of the ICA 2021.

Item 7: Appointment of the Vice-Chair *ad interim* for 2020/21

34. Following up on this item, the Chair asked Ambassador Marco Farani, in his capacity as spokesperson of the exporting Members, if any name had been identified for appointment as the Vice-Chair *ad interim* of the WGFA.

35. Ambassador Farani informed that Mr Mick Wheeler, delegate of Papua New Guinea, had been nominated by the exporting Members as Vice-Chair *ad interim* of the WGFA.

36. The Chair acknowledged the appointment of the Vice-Chair *ad interim* for 2020/21.

Item 8: Other business

37. The delegate of Brazil reminded the Members present that the deadline for presentation of candidacies for the position of Executive Director had expired on 30 July 2021. Three Members had presented candidates: Brazil, Dem. Rep. of Congo and Vietnam.

38. The Executive Director confirmed that a document with updates on the status of the appointment process would be circulated in the near future, in order to facilitate the assessment of the eligibility of candidacies by the Finance and Administration Committee.

39. No additional requests for other business were made.

Item 9: Date of next meeting

40. The Chair noted that the next WGFA Meeting would be held on 6 September 2021.

16th MEETING OF THE WORKING GROUP ON THE FUTURE OF THE ICA 2007

Chair: Ms Stefanie Küng, of
Switzerland

Thursday 5 August 2021



**INTERNATIONAL
COFFEE
ORGANIZATION**

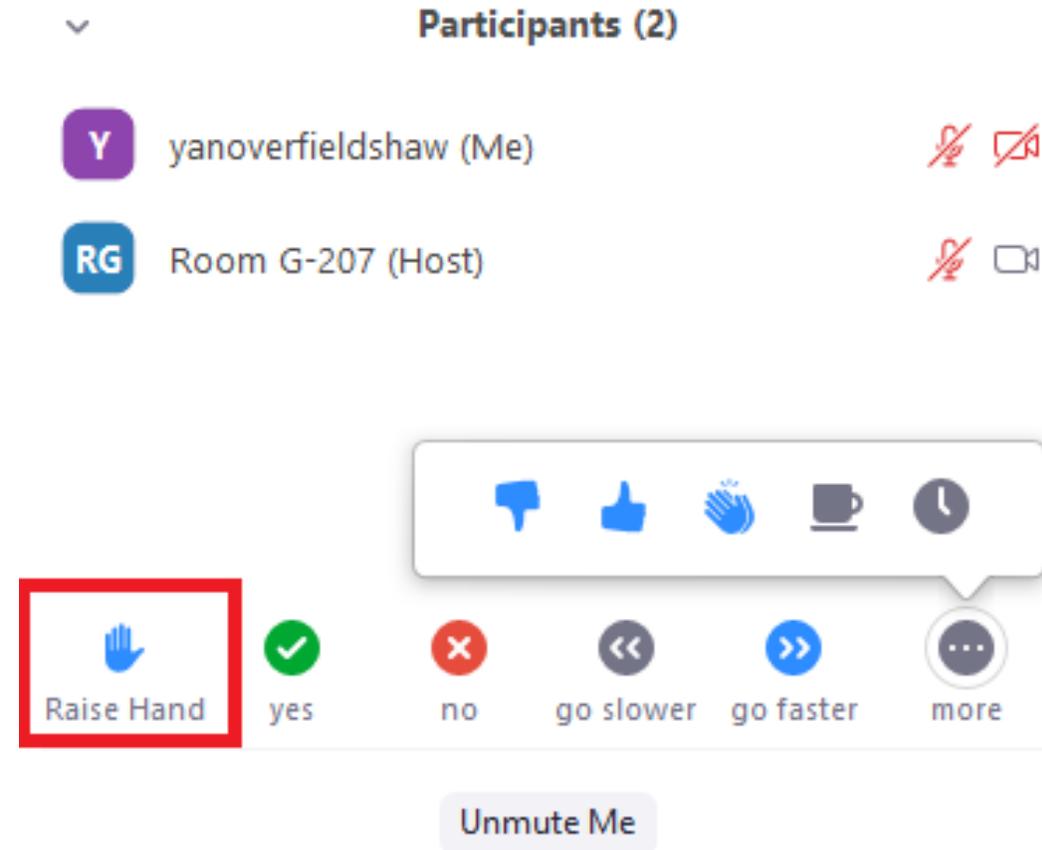
PROCEDURE ON HOW TO MAKE AN INTERVENTION

1. All Members are on 'mute' except for the Chair and the Executive Director. This is to reduce noise interruptions during the meeting.

2. If a Member would like to make a verbal intervention, please click on participants and press 'Raise Hand', then the Chair will give you the floor and you can unmute your microphone.

3. When asking a question Members can share their camera if they wish.

4. As a backup option – written questions can also be sent by text to the organizer in the Zoom chat.



DRAFT AGENDA (WGFA-71/21)

1. Draft Agenda – *to adopt*
2. Report of the 15th meeting – *to note*
3. Votes and contributions – *to consider*
4. Role of the private sector – *to consider*
5. Draft of the International Coffee Agreement 2021 – *to consider*
6. Next steps – *to agree*
7. Appointment of Vice Chair *ad interim* – *to appoint*
8. Other business – *to consider*
9. Date of next meeting – *to note*

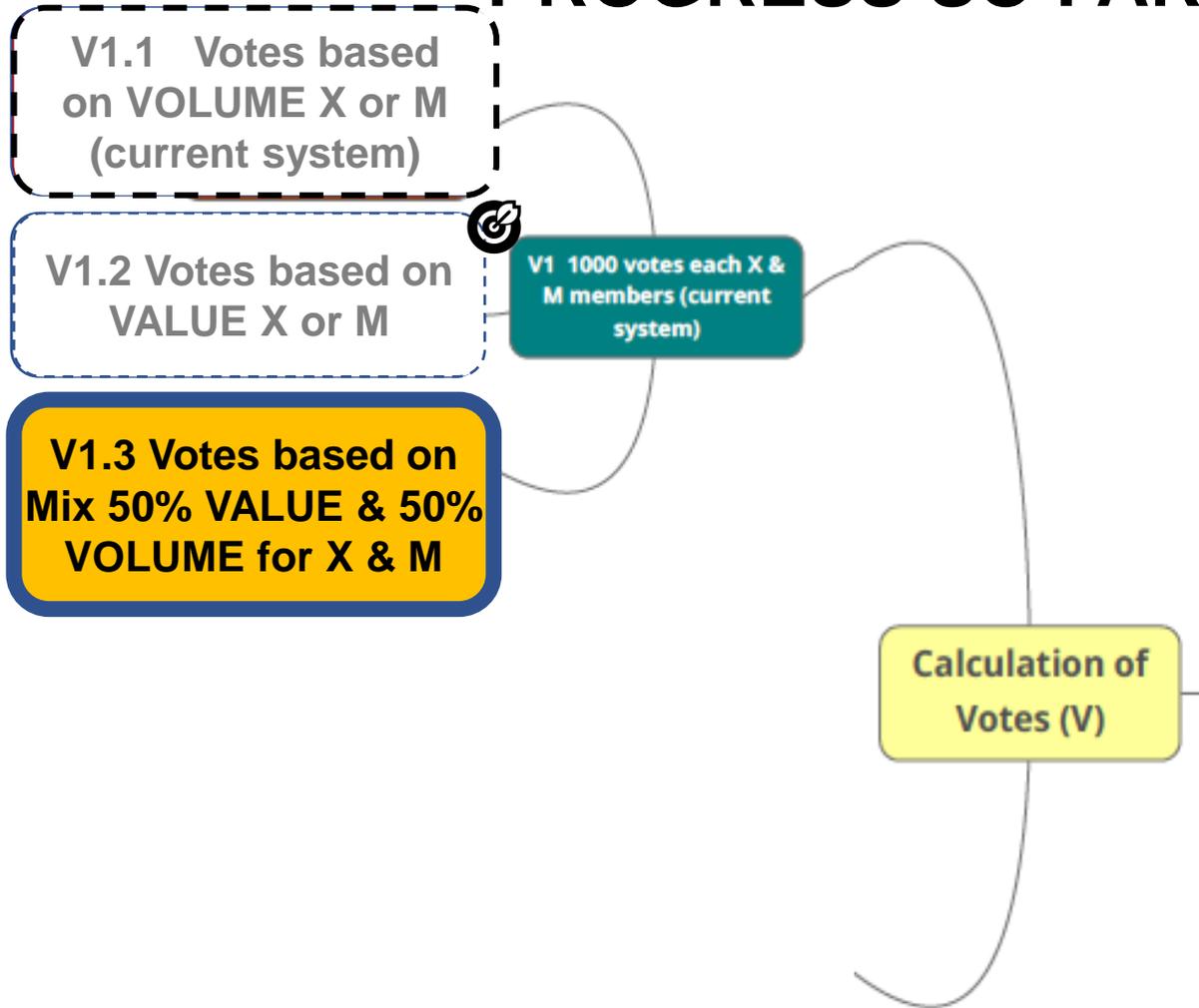
**Item 2. REPORT OF THE 15TH MEETING OF THE
WORKING GROUP - *to note (WGFA–
70/21)***

Item 3. VOTES AND CONTRIBUTIONS – *to consider (WGFA-69/21)*

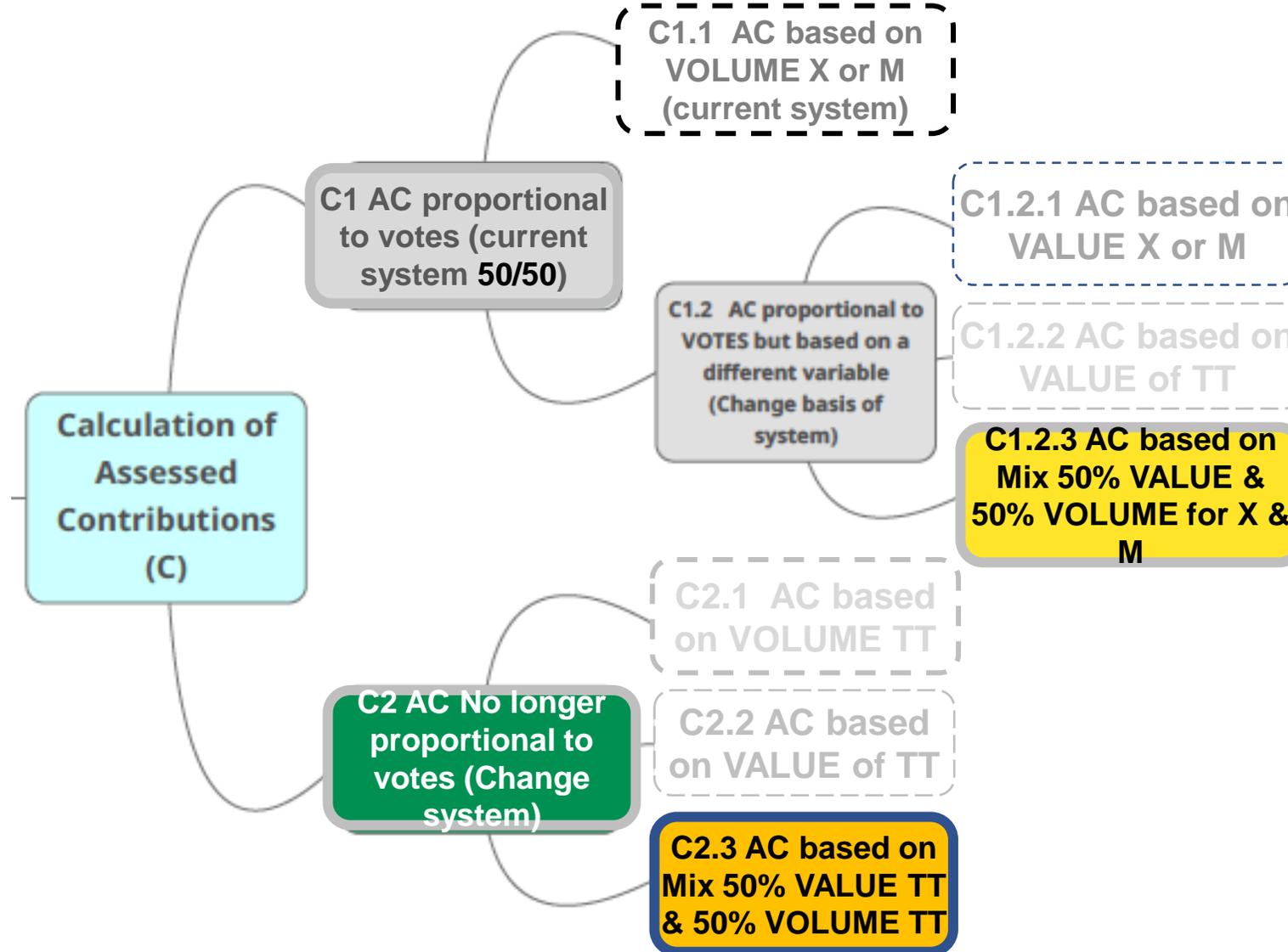
VOTES & CONTRIBUTIONS – PROGRESS SO FAR

- 1) Linking or delinking VOTES and CONTRIBUTIONS - **DELINK**
- 2) Maintaining or changing the distinction between exporting and importing countries in the determination of VOTES - **MAINTAIN**
- 3) Maintaining or changing the distinction between exporting and importing countries in the determination of CONTRIBUTIONS – **IN PRINCIPLE, CHANGE**
- 4) Maintaining **volume** of imports or exports as the basis for calculation of VOTES – **CHANGE & USE DIFFERENT VARIABLE = MIX 50% VALUE & 50% VOLUME**
- 5) Maintaining **volume** of imports or exports as the basis for calculation of CONTRIBUTIONS or using a **different variable** (value, total trade or a combination of the above) – **IN PRINCIPLE, CHANGE & USE DIFFERENT VARIABLE = MIX 50% VALUE & 50% VOLUME**

PROGRESS SO FAR - VOTES (**SELECTED**)



PROGRESS SO FAR - CONTRIBUTIONS (SELECTED)



VOTES & CONTRIBUTIONS (WGFA-69/21)

Proposals included in document:

- Narrow down options for calculation of contributions and budget formation – **Draft texts for Article 12 and 20, based on Outcomes V1.3; C2.3 and C1.2.3**
- Review fixed vs basic votes and minimum contributions – **Based on existing system**
- Review cap on votes and contributions – **Based on existing system for V1.3 and C1.2.3; excluded for C2.3**

VOTES & CONTRIBUTIONS

Pending issues:

- Examine systems regarding accession and withdrawal of Members and impact on budget:
 - In cases of withdrawal, Outcome C2.3 will eliminate “doubling” effect, wherein any reduction in the contributions of one category of Members (exporting or importing) must be matched by an equal reduction in the contributions of the other category
 - In cases of accession, to be determined
- Transitional arrangements:
 - Propose voluntary contributions to the Coffee Public-Private Trust Fund from Members that benefit from change in methodology for calculation of contributions
 - Others: required?

VOTES & CONTRIBUTIONS (WGFA-69/21)

Contents:

- Draft of Article 12, based on V1.3
- 2 drafts of Article 20, based on C2.3 and C1.2.3
- Tables with distribution of votes for V1.3
- Tables with distribution of contributions for C2.3 and C1.2.3
- Comparison tables with existing system
- Comparison graphs

Item 4. **ROLE OF THE PRIVATE SECTOR** – *to consider*

Options for increasing engagement, institutional Framework and non-governmental Membership

SUMMARY

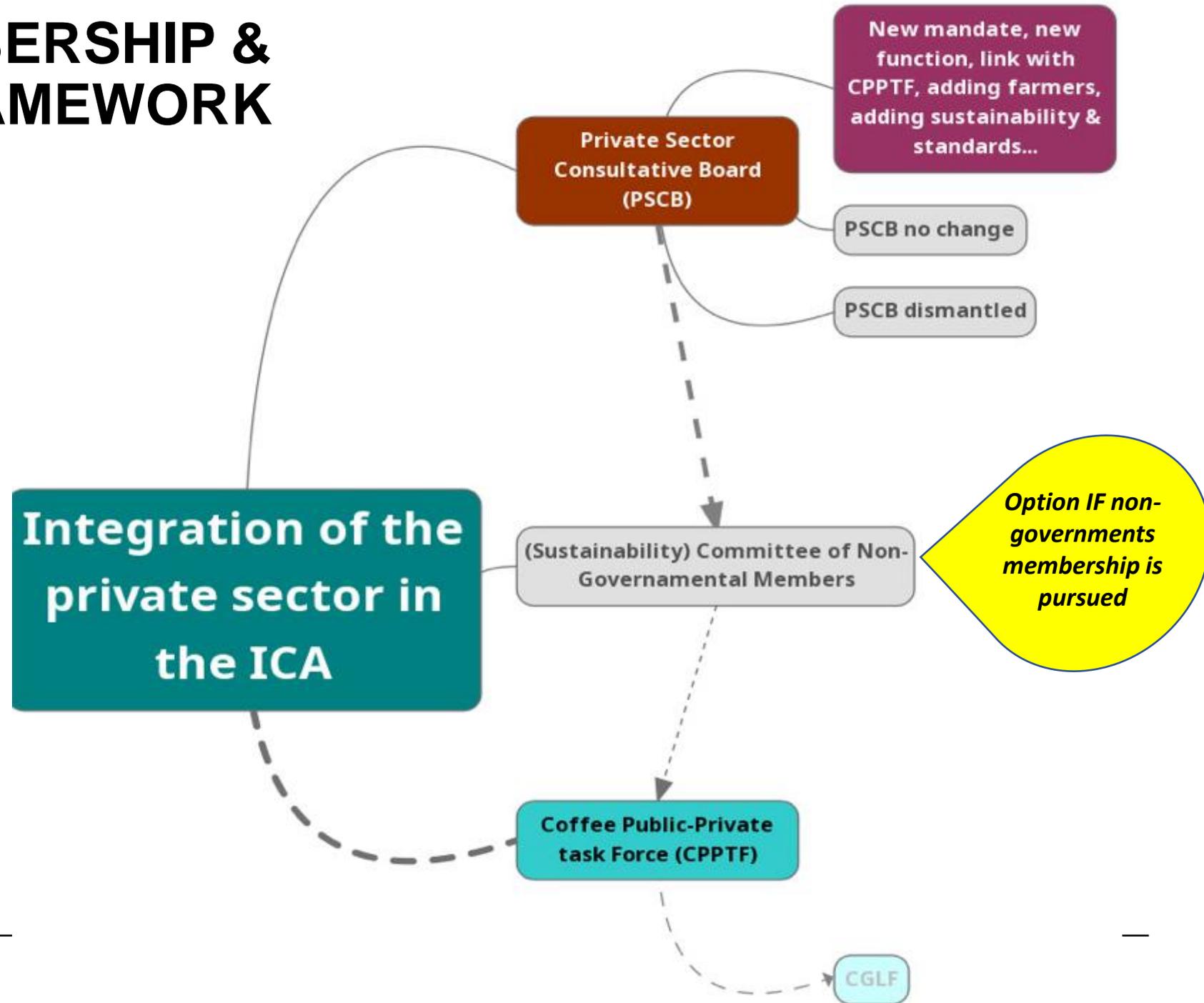
- A. DIFFERENT MODELS FOR NON-GOVERNMENTS MEMBERSHIP AND INSTITUTIONAL FRAMEWORK – OPTIONS DISCUSSED
- B. FORMS OF MEMBERSHIP & INSTITUTIONAL FRAMEWORK
- C. INSTITUTIONAL FRAMEWORK AND NON-GOVERNMENTAL MEMBERSHIP- PROGRESS SO FAR
- D. OTHER INSTITUTIONAL FRAMEWORK & MEMBERSHIP OPTIONS: THE REFORM OF THE PSCB
- E. AFFILIATION TO THE ICO – NON-GOVERNAMENTAL MEMBERSHIP

ANNEX (DEFINITION BY FAO, UNDP, ECOSOC)

A. DIFFERENT MODELS FOR NON-GOVERNMENTS MEMBERSHIP AND INSTITUTIONAL FRAMEWORK OPTIONS DISCUSSED

- **Different models analyzed** (Other inter-governmental organizations, such as the United Nations, the International Telecommunication Union (ITU), the United Nations World Tourism Organization (UNWTO) and the International Labour Organization (ILO) as well as ICBs)
- **Inter-governmental scope** of the ICO UNCHANGED
- **“SOME FORM OF” Membership extended NOT ONLY TO** the private sector **BUT ALSO** to civil society, academia and development partners (nations/regional/international)

B. FORMS OF MEMBERSHIP & INSTITUTIONAL FRAMEWORK



C. INSTITUTIONAL FRAMEWORK AND NON-GOVERNMENTAL MEMBERSHIP: PROGRESS SO FAR

- 1) Coffee Public-Private Task Force – **AGREED - INTEGRATED IN ICA 2021**
- 2) Private Sector Consultative Board (PSCB) – **TO BE REFORMED**

C. INSTITUTIONAL FRAMEWORK AND NON-GOVERNMENTAL MEMBERSHIP: PROGRESS SO FAR

- 1) **MAINTAIN** intergovernmental nature of the ICO

- 2) **INTEGRATE** the **Coffee Public Private Task Force (CPPTF)** in the **ICA**
 - CPPTF already been established by decision of the ICC
 - Effective instrument for building consensus and shared visions, as well as promoting actions by governments (ICO Members) and the private sector, while also engaging all key coffee-related institutions, NGOs, international and financial institutions/development partners and research bodies and academia.
 - Based on balance (50/50) between public and private sectors (sherpas)
 - Supported by observers and other stakeholders through the Technical Workstreams
 - Consensus building and recommendations submitted to the ICC for endorsement and to the CEO and Global leaders Forum

D. OTHER INSTITUTIONAL FRAMEWORK AND MEMBERSHIP OPTIONS – REFORM THE PSCB

3) **REFORM** the Private Sector Consultative Board (PSCB) and REPLACE it by **ESTABLISHING** a committee/body of affiliate members (AMB):

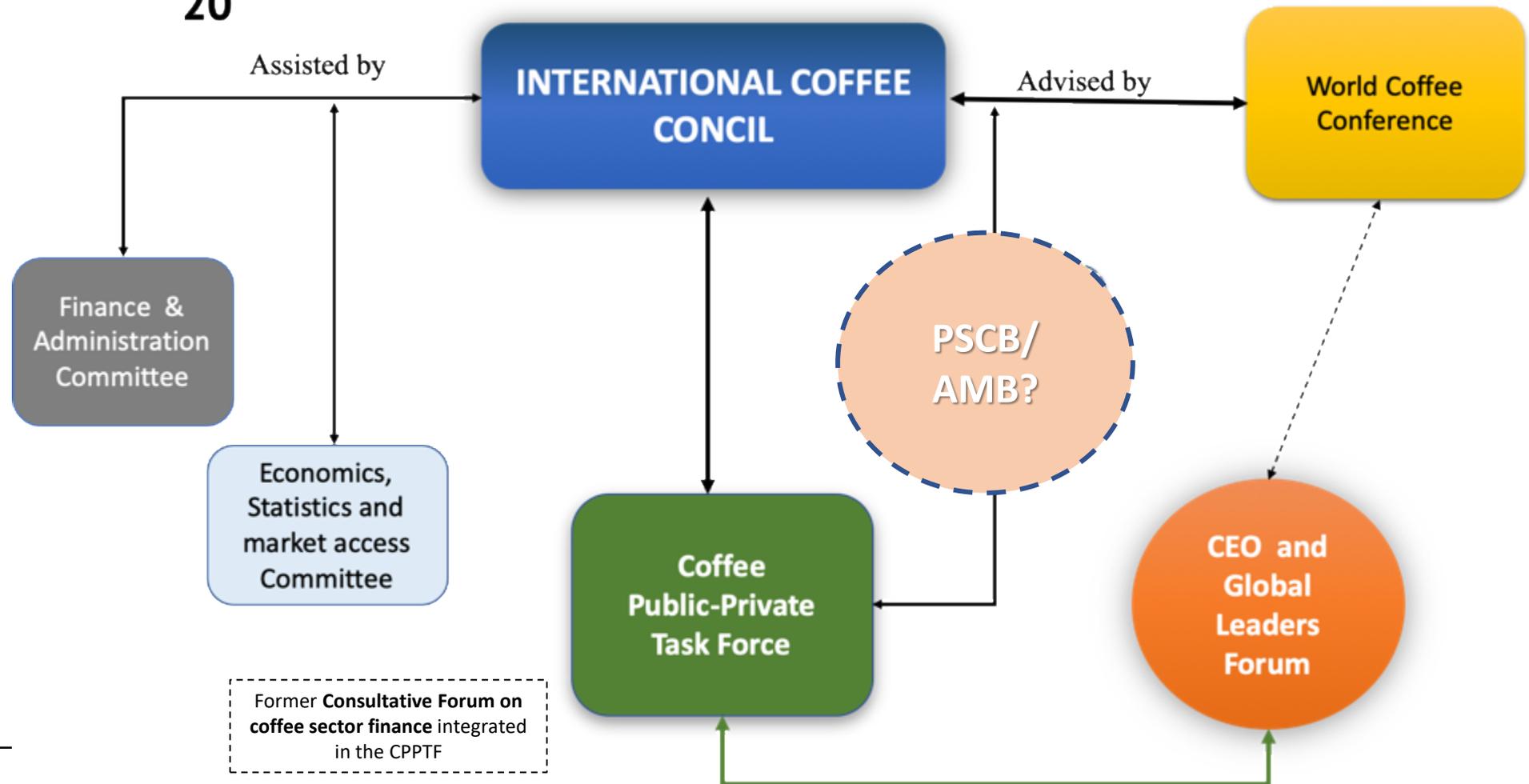
- Private sector
- Civil Society/Third sector
 - NGOs
 - Academia
 - Development partners and other interested entities

(UN/UNWTO model and related to the proposal of the Chair of PSCB)

RECOMMENDATIONS FOR THE NEW ICA (previous submission)

A. Streamlining the ICO governance structure in a new ICA

20



E. AFFILIATION TO THE ICO - NON-GOVERNMENTAL MEMBERSHIP

The new **ICA MUST DEFINE** what is “private sector” and what is the “third sector/civil society”:

- a) To avoid misunderstanding and possible confusion of roles and engagement with the ICO
- b) To define who is allowed to be an affiliated Member

Definitions: Best to refer to definitions already approved by ICO members through their membership with FAO, United Nations, UNDP.... (See Annex 1)

E. AFFILIATION TO THE ICO - NON-GOVERNMENTAL MEMBERSHIP

AFFILIATION

- 1) Affiliate members can be both private and public & national, regional, and international entities of the private Sector and civil society (*based on agreed definitions*)
- 2) An Affiliate Members Group/Body/Committee/Board (AMB) will be established
- 3) A procedure for the ICO to accept Affiliate members will be defined (country of origin, adherence to ICA objectives)
- 4) Through the AMB all non-governmental entities can benefit by accessing the ICO as a platform for dialogue and to voice their opinions to ICO members and all stakeholders

E. AFFILIATION TO THE ICO - NON-GOVERNMENTAL MEMBERSHIP

AFFILIATION

- 5) Affiliate members can attend open sessions of the ICC and related meetings as observers
- 6) A simple fee structure will be defined (on a voluntary basis for different categories) and linked to access to ICO statistics, other info and events
- 7) The AMB may be close to the proposal by the Chair of the PSCB on the establishment of a “matching body” to the IC
- 8) Two representatives of the Affiliate members (i.e. Chair & Vice-Chair) will become members of the CPPTF
- 9) Affiliate members can be members (sherpas) of the CPPT

CONCLUSION

1. Approve ICO Definitions
2. Approve articles for incorporating the CPPTF
3. Agree on the principle of affiliation
4. Define modalities/procedures for accession and engagement rules **with the ICC**
5. Draft and agree on ICA articles

**Item 5. DRAFT OF THE INTERNATIONAL
COFFEE AGREEMENT 2021 – *to
consider***
(WGFA-56/21 Rev. 1)

6. NEXT STEPS – *to agree*

1) Votes and Contributions

- Consensus on using V1.3 and C2.3
- However:
 - Viet Nam supports V1.2 for votes, and C2.2 or C1.2.2 for contributions
 - Mexico supports C1.2.3
 - Japan will present proposals on proposed texts of Articles 12 and 20
- Secretariat will prepare proposals on pending issues

2) Role of Private Sector

- Secretariat will prepare draft based on discussions in WGFA
- Honduras will present draft proposals to the Secretariat

3) Draft Agreement: start review with Preamble (Drafting Group)

7. APPOINTMENT OF VICE CHAIR a.i. – *to appoint*

8. OTHER BUSINESS – *to consider*

9. DATE OF NEXT MEETING – *to note*

THANK YOU!



**INTERNATIONAL
COFFEE
ORGANIZATION**

**ANNEX:
DEFINITIONS OF
PRIVATE SECTOR
AND CIVIL
SOCIETY/THIRD
SECTOR**



**INTERNATIONAL
COFFEE
ORGANIZATION**

F. AFFILIATION TO THE ICO - NON-GOVERNAMENTAL MEMBERSHIP DEFINITIONS

1) FAO STRATEGY FOR PARTNERSHIPS WITH CIVIL SOCIETY (separation Private sector vs Civil Society)

Civil Society: A definition

- In 1998 the UN defined civil society as: “**the sphere in which social movements organize themselves around objectives, constituencies, and thematic interests.**”
- Civil society is a broad category which encompasses a wide variety of organizations, which although different, often share certain common goals, resources and/or approach in order to maximize their decision-making capacity, advocacy and knowledge.
- FAO strategy considers civil society as **those non-state actors who fit within three main categories**
 - **member-based organization,**
 - **non-governmental organization and**
 - **social movement** (that work in the areas related to FAO’s mandate).

.....For the scope of FAO Strategy, **any national or international non-governmental organization (INGO), association or foundation which has been set up by private entities**, therefore stemming from a **profit-seeking perspective**, as well as **cooperatives**, which generally have for-profit orientations, will be considered under the Strategy for partnerships with the private sector.

F. AFFILIATION TO THE ICO - NON-GOVERNAMENTAL MEMBERSHIP DEFINITIONS

2) FAO STRATEGY FOR PRIVATE SECTOR ENGAGEMENT 2021-2025 (**separation Private sector and Civil Society**)

(It defines also the required engagement and conditions)

SCOPE OF THE PRIVATE SECTOR:

For the purposes of this Strategy, FAO considers the private sector to encompass a broad array of entities, ranging from farmers, fishers, foresters, livestock herders, and MSMEs (including cooperatives, farmers/fishers/foresters/livestock producers' organizations and social enterprises) to large firms, both domestic and multinational companies, and philanthropic foundations.

This Strategy also takes account of **industry and trade associations and consortia** that represent private sector interests.

Any consortium, organization or foundation largely funded or governed by private entities will be considered private sector, **as well as state-owned enterprises (SOEs).**

REMARKS *Academia and research institutions are not covered by this new Strategy.*

F. AFFILIATION TO THE ICO - NON-GOVERNAMENTAL MEMBERSHIP DEFINITIONS

REFERENCES:

FAO STRATEGY FOR PRIVATE SECTOR ENGAGEMENT 2021-2025 (**separation Private sector and Civil Society**)

It defines also the required engagement and conditions

Table 1. Types of private sector entity FAO plans to engage

Farmers and farmers' organizations¹⁰	Farmers (including small-scale and family farmers) and farmers' organizations are important constituents, not only as private sector entities and agents of change, but also as beneficiaries of private sector engagement. FAO is committed to facilitating the advancement of the UN Decade on Family Farming and continues to prioritize its work focusing on family farmers, small-scale fishers and foresters.	Micro-, small and medium-sized enterprises (MSMEs)	Micro-, small and medium-sized agri-food and rural non-farm enterprises, including start-ups, play a critical role in achieving food security and eradicating poverty. FAO promotes the development of MSMEs as key drivers in realizing the socio-economic potential of the agri-food and rural non-farm sectors, with special emphasis on youth- and women-led businesses.
Producers' organizations and cooperatives¹¹	Producers' organizations and cooperatives play a pivotal role in empowering farmers, fishers and foresters, helping them to access markets, technologies and financial services, but also in boosting their productivity and capacity to innovate.	Large firms: large national and multinational companies, including state-owned enterprises	Large firms (including large national and multinational companies and SOEs). Multinational corporations and companies have developed bilateral private sector partnerships with FAO on a broad range of thematic topics in recent years.

F. AFFILIATION TO THE ICO - NON-GOVERNAMENTAL MEMBERSHIP DEFINITIONS

REFERENCES:

FAO STRATEGY FOR PRIVATE SECTOR ENGAGEMENT 2021-2025 (**separation Private sector and Civil Society**)

It defines also the required engagement and conditions

Table 1. Types of private sector entity FAO plans to engage

Financial institutions	Financial institutions, including international and national development banks, commercial banks and private investors, impact investors and other private investment institutions play a critical role to improve the investment process and capitalize on the potential of innovative finance to de-risk and mobilize private investment to achieve the SDGs.
Industry, trade associations and private sector consortia¹²	Industry, trade associations and consortia allow FAO to achieve greater impact through collaborations with a range of committed, like-minded stakeholders that have the capacity to scale up for impact in terms of achieving the SDGs and food security and nutrition.
Philanthropic foundations	Philanthropic foundations have a pivotal role to play in achieving the 2030 Agenda and are an important source of financing for development.

F. AFFILIATION TO THE ICO - NON-GOVERNAMENTAL MEMBERSHIP DEFINITIONS

UNDP STRATEGY FOR PRIVATE SECTOR

Table 1. Types of private sector entity FAO plans to engage

Annex I. UNDP's definition of the private sector

The private sector is a basic organizing principle of economic activity in a market-based economy where private ownership is an important factor, where markets and competition drive production, and private initiative and risk-taking set activities in motion.

The private sector includes a wide range of **market actors** that may operate either in the **informal or formal economy**:

- **Multinational companies** with global reach and operations (e.g. from the North and the South, and with wide presence in multiple countries, including in UNDP programme countries);
- **Large domestic companies**;³
- Micro, small and medium enterprises⁴ (**MSMEs**);
- **Business intermediaries and interlocutors** such as Chambers of Commerce and Industry, business associations, innovative alliances, business roundtables, stock exchanges and **a new generation of cooperatives**.
- **Social enterprises** and other innovative constellations formed to address a specific development issue or cause;
- **Mutual organizations** (such as Visa, MasterCard, asset management companies, cooperative banks, mutual saving banks, credit unions, mutual insurance/assurance and health care companies); and
- **State Owned Enterprises (SOE)**,⁷ i.e. either wholly or partially owned by a government and that engage in commercial activities as part of an open market system.

F. AFFILIATION TO THE ICO - NON-GOVERNAMENTAL MEMBERSHIP DEFINITIONS

UNDP STRATEGY FOR PRIVATE SECTOR

Table 1. Types of private sector entity FAO plans to engage

UNDP's Definition of Private Sector



Note: Sporadic, non-commercial income generating activities by individuals are not considered to be in the private sector

ECOSOC and NGOs

ECOSOC consultative status

ECOSOC remains the only main UN body with a formal framework for NGO participation.

This accreditation framework benefits both the United Nations and the NGOs. As stated by resolution 1996/31 on the “Consultative relationship between the United Nations and non-governmental organizations,” “... Consultative arrangements are to be made, on the one hand, for the purpose of enabling the Council or one of its bodies to secure expert information or advice from organizations having special competence in the subjects for which consultative arrangements are made, and, on the other hand, to enable international, regional, sub-regional and national organizations that represent important elements of public opinion to express their views.”

— ECOSOC resolution 1996/31, part II, paragraph 20

ECOSOC and NGOs

While ECOSOC has the opportunity to avail itself of valuable and expert advice from NGOs, the NGOs in turn also **have the opportunity of expressing their views and influencing the work of the Council.**

NGOs have specialized competence, hands-on experience and flexibility that is of great value to the UN. For instance, by having consultative status, a NGO could:

- Provide expert analysis on issues directly from its experience in the field;
- Serve as an early warning agent;
- Help monitor and implement international agreements;
- Help raise public awareness of relevant issues;
- Play a major role in advancing United Nations goals and objectives; and
- Contribute with essential information at organization events.

ECOSOC and NGOs

On the other hand, ECOSOC provides NGOs the opportunity to be heard by a truly global audience and contribute to its agenda.

A NGO with consultative status can:

- Attend international conferences and events;
- Make written and oral statements at these events;
- Organize side events;
- Enter United Nations premises; and
- Have opportunities to network and lobby.

Please note that ECOSOC does not provide funding or financial support of any kind to any organization with which it partners. However, social networking at ECOSOC events allows organizations to expand their contacts and knowledge base to explore possible partnerships and joint ventures with various stakeholders.

ECOSOC and NGOs

The application process

Consultative relationships with ECOSOC may be established with international, regional, sub-regional, and national non-governmental, non-profit, public or voluntary organizations.

Main requirements to determine eligibility for consultative status with ECOSOC include, among others:

- The work of the NGO must be relevant to the work of ECOSOC;
- It must have a transparent and democratic decision-making mechanism and a democratically adopted constitution;
- It must have an established headquarters with an executive officer;
- It must have been in existence for at least 2 years in order to apply;

ECOSOC and NGOs

- It should have the authority to speak for its members;
- It should have a representative structure;
- It must have appropriate mechanisms for accountability; and
- It must provide to the Committee financial statements, including contributions and other support, and expenses, direct or indirect.

NGOs affiliated with an international organization already in consultative status with ECOSOC can be granted consultative status by the ECOSOC Committee on NGOs if they demonstrate that their programme of work is of direct relevance to the aims and purpose of the United Nations.

An organization that applies for consultative status should attest that it has been in existence for at least two years as at the date of receipt of the application by the Secretariat.

— ECOSOC resolution 1996/31, part IX, paragraph 61(h)

Six simple steps to obtain consultative status with ECOSOC:

Each step of the application process is described in detail in the following pages. The steps included in the process of your application and subsequent review and approval by ECOSOC are the following:

- Creating a profile for your organization;
- Submitting the online application which includes a questionnaire and supporting documentation;
- Initial screening of your application by the NGO Branch to ensure that your application is complete;
- Review of your application by the ECOSOC Committee on NGOs at its regular session in January or at its resumed session in May every year;
- Recommendation by the Committee;
- Decision taken by ECOSOC on your application in April (for applications considered at the regular session) and July (for applications