



**Report of the Core Group on the Consultative
Forum on the meeting held on 25 September
2014**

1. The Core Group, chaired by the Vice-Chairperson, Mr Manfred Brandt of the EU, met in London, United Kingdom on 25 September 2014.

Item 1: Adoption of the Agenda

2. The Group adopted the draft Agenda contained in document [CG-19/14 Rev. 2](#).

Item 2: Report of the last meeting of the Core Group

3. The Group took note of the report on the 5th meeting of the Core Group contained in document [CG-18/14](#).

Item 3: 4th Consultative Forum on Coffee Sector Finance

4. The Head of Operations said that the ICO had held the 4th Consultative Forum on 23 September 2014 on the topic of 'How producing countries can engage effectively with financial multilateral institutions and donors, and ensure that financing from those organizations meets the needs of producers' (see document [ED-2183/14 Rev. 1](#)). The event had been very successful and had brought together 24 representatives of multilateral development banks, bilateral agencies and representatives of social and sustainable funding institutions. In addition to panel debates and presentations, delegates had had the opportunity for the first time to have direct access to these institutions and discuss projects with them in a networking session. Members had expressed interest in maintaining momentum and ensuring that this was not just a one-off event. One of the participating organizations was interested in holding a follow up event at its premises in 2015. A survey would enable the Secretariat to obtain feedback on the outcomes and generate ideas for future events.

5. In discussions on this topic, delegates mentioned the need to capture the outcomes of the Forum through minutes or a summary of the debates and wide dissemination of the report so that stakeholders who were not present could contribute to the discussions, particularly with respect to the next Forum. Consideration should also be given to how best to build on the results for the future. The Core Group took note of this information.

Item 4: 5th Consultative Forum on Coffee Sector Finance

6. The Group noted that the dates proposed for the 115th Council Session and Global Coffee Forum in Milan in September 2015 would not allow sufficient time to hold the 5th Forum. In view of the need to maintain momentum, the Group agreed to recommend to the Council that the 5th Consultative Forum should take place in London during the week of 2 to 6 March 2015, at the time of the 114th Council Session, instead of a Seminar. The Group further agreed that the 5th Forum should be a practical and interactive event which would enable Members to learn how to structure and present proposals to different funding institutions. The World Bank and Inter-American Development Bank had already confirmed that they would participate and the Secretariat would invite other institutions to attend.

Item 5: Study on risk and finance in the coffee sector

7. The representative of the World Bank introduced the draft World Bank/ICO compendium of case studies on risk management and access to finance contained in document [CG-20/14](#). The report was a collaborative effort and he expressed appreciation to Members for providing information, and to the multi-donor trust fund which had funded it with support from the Governments of Switzerland and the Netherlands. It was important to obtain feedback and approval from the Core Group as well as ideas on how best to maximize dissemination and ensure that the report was useful and benefitted stakeholders in a practical way.

8. The report comprised a compendium of 21 case studies, with the aim of facilitating learning from experiences and best practices in producing countries of expanding access to finance and improving risk management. Successful programmes in one country were often not replicated in others as information was either not widely available or countries did not have the technical information to replicate them. A number of case studies had potential to be replicated such as the case of Sustainable Harvest, which worked with producer partners to assist them in understanding price risk and hedging their positions using options contracts. CABI had prepared a very interesting contribution on coffee leaf rust and what this meant in terms of climate change and production risks. The compendium also contained information on Colombia's replanting programme which would be useful for other countries to consider. To increase lending to the coffee sector, there was a need to encourage borrowers

to become more creditworthy and to help domestic banks to better understand the coffee sector and quantify the risks involved. The case study of the PorFin programme in Latin America was an example of where this had been achieved. Finally, the report showed that risk and finance were interlinked and that an improvement in risk was a prerequisite for an improvement in finance which could often lead to further improvements in risk. There was room for hope and the report could help to educate stakeholders in the sector. The challenge now was to make best use of the case studies and assist countries in replicating best practices.

9. The Group expressed its appreciation for this excellent report which contained very valuable information. In discussions on this item, it was suggested that webinars could be developed to review the case studies and lessons learned. The redesigned ICO website could allow the results to be disseminated in a dynamic way. The Italian Cooperation Agency had expressed interest in using the case studies in a programme for coffee growers. Further case studies could be developed in the future, to include the results of ongoing projects.

10. It was suggested that the Executive Summary was too short and a longer version with a different structure which highlighted the main findings would be useful. It would also be useful to prepare an attractive 5-10 page brochure with the key findings, which Members could distribute as needed to the media or interested parties, both electronically and in the form of hard copies. The full compendium could be attached as an annex or link to the brochure for those who were interested in reading more. It would be useful to include a box at the start of each case study summarizing the conclusions so readers could access this information easily. Fact sheets on different topics and the findings of case studies could be prepared and disseminated on the website or used in news articles. The 5th Forum in March 2015 would provide an opportunity to release the final report officially. The point was also made that the original draft report had contained an additional 350 pages of valuable information and analysis and it would be useful to provide access to the full range of materials either through electronic links or webinars. It was also suggested that it would be useful to find a mechanism to share the materials with other sectors such as the banking sector, to enable them to understand risk management in the coffee sector and expand lending opportunities. The World Bank Agricultural Finance programme website enabled the banking sector to share best practices through webinars and study tours. The ICO could make use of mechanisms such as these and forums and online discussion boards to reach a wider audience in the banking and coffee sectors.

11. The Group noted that the World Bank would take on board the suggestions raised at this meeting and would revise and resubmit the compendium to the Secretariat. Members agreed that once the Secretariat had reviewed the revised document, it could be considered as ready for publication. The Group further noted that all the suggestions made with respect to dissemination and providing access to all available materials would be taken into account to ensure the compendium was as widely disseminated as possible.

Item 6: Other business

Virtual meetings

12. The Head of Operations said that the ICO had upgraded its internet facilities and technical equipment and Core Group advisors would be able to attend meetings virtually in the future.

MICRO

13. The Group noted that document [CG-21/14](#) contained information about the Central America Disaster Microinsurance Expansion (CADME) Programme in Nicaragua which had been received from Microinsurance Catastrophe Risk Organization (MICRO). This was an innovative programme aimed at mitigating the risks of small farmers against climatic events in particular. The World Bank compendium could be a stepping stone to disseminating information about this initiative to the coffee sector.

Item 7: Date of next meeting

14. The Group noted that its next meeting would take place in London at the time of the 114th Council in March 2015.