



**Decisions and Resolutions adopted  
at the 113<sup>th</sup> Session of the  
International Coffee Council**

**22 – 26 September 2014**

1. The International Coffee Council, chaired by Mr Jawaid Akhtar of India, met in London from 22 to 26 September 2014.

**Item 1: Adoption of the Agenda**

2. The Council adopted the draft Agenda contained in document [ICC-113-0 Rev. 2](#) and took note of the schedule of meetings.

3. The Council further designated Norway as the 4<sup>th</sup> consuming Member of the Finance and Administration Committee for the remainder of coffee year 2013/14.

**Item 2: Admission of observers**

4. Rule 5 of the Rules of the Organization provides that at the start of each Session, the Council shall decide on the acceptance of observers and designate the items on the Agenda open to accepted observers. The Secretary introduced document [ICC-113-3](#) containing a list of observers approved for admission to Sessions in 2013/14 who had advised the Executive Director of their attendance. The document also proposed admitting presenters attending the Session and observers invited by the Executive Director. With a view to streamlining the process of accepting observers, a list of observers who could be admitted to Sessions in coffee year 2014/15 was contained in Annex II. Any additional observers would need to submit requests for observer status in writing at least 45 days prior to the Session.

5. The Council took note of this information and decided that the observers listed in Annexes I and II of document [ICC-113-3](#) should be accepted for admission to the 113<sup>th</sup> Session

and Committees which were open to observers, except for items relating to Finance and Administration which should be restricted to Members only. The Council approved the list of observers contained in Annex II of document [ICC-113-3](#) for admission to Council Sessions in coffee year 2014/15. Finally the Council further approved a request from the African and Malagasy Robusta Coffee Agency (ACRAM) to attend the 113<sup>th</sup> Council Session in September 2014 and future Sessions as observers (see document [ICC-113-3 Add. 1](#)).

**Item 3: Votes and credentials**

**Item 3.1: Votes for coffee year 2013/14**

6. The Council took note of the situation of outstanding payments affecting voting rights as at 19 and 25 September 2014, respectively contained in document [ICC-113-1](#) and its [Revision](#).

**Item 3.2: Initial distribution of votes for coffee year 2014/15**

7. Paragraph (6) of Article 12 of the 2007 Agreement provides that the distribution of votes shall be determined by the Council at the beginning of each coffee year. Under the provisions of Article 12, the votes of exporting Members and of importing Members are based on their exports and imports respectively in the preceding four calendar years. The Secretary said that document [ED-2184/14 Rev. 1](#) contained the latest information on the basis for the distribution of votes among exporting and importing Members for coffee year 2014/15, and introduced document [ICC-113-2](#) showing the initial distribution of votes for coffee year 2014/15. The Council took note of this information and approved the initial distribution of votes for coffee year 2014/15, which would be used as the basis for assessing contributions.

**Item 3.3: Credentials**

8. The Council noted that the Secretariat had examined the credentials received from Members and had advised the Chairperson of the Council that they had been found to be in good and due form. The Council decided to approve the report on credentials which was subsequently circulated, together with the List of Delegations, as document [ICC-113-12](#).

**Item 4: Membership of the International Coffee Agreement (ICA) 2007**

9. The Executive Director introduced document [ICC-113-4](#) containing a report on the status of membership of the ICA 2007. As at 22 September 2014, there were 39 exporting Members and 6 importing Members. He had circulated document [DN-118/14](#) notifying

Members of the opportunity to deposit instruments of ratification, acceptance, approval or accession during the 113<sup>th</sup> Session, and had also written to countries listed in Sections B and C of Annex I of the report to remind them of the need to complete membership procedures as soon as possible. The Council noted that the Plurinational State of Bolivia, which had been applying the Agreement provisionally, had deposited an instrument of ratification during this Session and congratulated it on completing membership of the ICA 2007 (see [DN-119/14](#)). Colombia, which was still applying the Agreement provisionally, was close to completing the remaining procedures for membership. In the case of the Democratic Republic of Congo, the Council noted that the Government hoped to deposit an instrument shortly. With respect to non-member countries, the Lao People's Democratic Republic and Peru both hoped to become Members in 2015. The Russian Federation was also committed to acceding to the 2007 Agreement. The Government was currently reviewing documentation relating to accession, including financial matters, and hoped to complete membership procedures by the end of 2014 or during the first half of 2015, and would keep the Secretariat informed of progress on this matter. Members took note of this information and expressed their appreciation to the Executive Director for his efforts to expand membership, which would strengthen the Organization.

10. The Executive Director said that the deadline for the deposit of instruments of ratification, acceptance, approval or accession would expire on 30 September 2014. He introduced document [WP-Council 246/14](#) containing a draft Resolution proposing establishing 30 September 2015 as the new deadline for deposit of instruments. The Council approved this draft Resolution which became [Resolution 454](#), a copy of which is attached to these Decisions. Finally, the Council urged countries which had not yet done so to expedite the necessary formalities for membership of the 2007 Agreement. The procedures for membership contained in [ED-2033/08 Rev. 8](#), including a model instrument, should be closely followed to avoid any difficulties.

**Item 5: Coffee market situation**

11. The Head of Operations made a presentation on the global coffee market. He said that the current volatility in the coffee market had begun in January 2014 following news about the drought in Brazil. There was general consensus that there would be a deficit in production in 2014/15, subject to confirmation of the extent of the damage to production. As a result, indicator prices for Colombian Milds, Other Milds and Brazilian Naturals had fluctuated between 150 and 220 US cents/lb. While the situation with Robusta was less volatile, price volatility of the ICO composite indicator was high with levels of 10% compared to historical levels of 5-8%. Production in 2013/14 was estimated at 145.2 million bags, which was roughly similar to that of 2012/13, with an increase of 6% in Robusta and a decrease of 4% in Arabica as a result of the impact of coffee leaf rust (CLR) on production in

Central America and the reduction in Arabica production in Brazil. The latest estimate for production in Brazil was 45.14 million bags, a decrease of 8.2% on 2013/14. This would result in a deficit in production in 2014/15 for the first time since 2007/08, and would also have an impact on stocks in Brazil which had been built up over the previous two years. With respect to CLR, the Central American region had experienced losses of US\$615 million during the last two years. Governments in the region had made concerted efforts to put in place effective mechanisms to address CLR, however it was a significant problem and further measures to address it such as resistant varieties of coffee and research would be discussed during these meetings. Colombia had made a substantial recovery with production for the first 11 months of 2013/14 estimated at 11.2 million bags, an increase of 24% on 2012/13, and was on course for the highest production level since 2007/08. Coffee exports for the year to July 2014 were 109.7 million bags, the second highest level on record. Monthly exports were high in Brazil despite the drought, which suggested that stocks in this country would be heavily drawn down this year.

12. In the case of inventories in importing countries, the stocks-to-use ratio was less than three months, which was historically very low. This could have implications for the supply chain in the event of any adverse impact on production. Consumption continued to grow steadily at 2.5% a year. If this trend continued to 2020, a further three million bags would be needed to meet consumer demand each year. Consumption in emerging markets was increasingly important, and there had been dynamic growth in a number of producing countries including Brazil, Indonesia and Vietnam. Growth in traditional markets had been stronger in 2013, particularly in the USA which had seen growth of 5.3%. In conclusion, the drought in Brazil had had a considerable impact on production, and there would be a deficit in 2014/15 for the first time since 2007/08, with implications for prices. Demand was estimated to continue to grow at 2.5%, and was particularly strong in emerging markets and producing countries. Coffee leaf rust in Central America had had an impact on Arabica production, although the recovery in the Colombian production had offset the deficit in Other Milds. There was considerable volatility and the widening arbitrage between Arabica and Robusta was an element in increasing consumption of Robustas in blends.

13. The Council took note of this presentation and further took note of the [Monthly Coffee Market Report – August 2014](#) and document [ED-2186/14](#) containing the final official estimate for the Brazilian coffee crop for 2013/14 together with the 3<sup>rd</sup> production estimate for the 2014/15 crop.

14. The Council further noted that in March 2013, Members had approved [Resolution 451](#) on the critical situation in Central America caused by the outbreak of CLR. CLR had had a huge impact on the Central American region, including social stability, with

transitional problems such as drug trafficking and violence as a result of losses to production. The region had received solidarity from the coffee sector and had made some progress in addressing the problem, however there had been no practical cooperation<sup>1</sup>.

**Item 6: Studies and reports**

15. The Chief Economist introduced document [ICC-113-6](#) containing a study on factors to achieve a balanced market.

16. In discussions on this item the point was made that the coffee market was volatile. Coffee production was undertaken mainly by small growers and there was a need to consider how best to minimize their risks. There were few instruments to protect small growers against the risk of price volatility as companies did not insure against declining prices, however insurance products could provide some protection. Members with experience of insurance schemes were invited to share information with the Organization. Possible options could include insurance for production, so that growers received a payout in the event that production was lower than a benchmark; linking insurance to a trigger such as rainfall or diseases as the assessment of production could often be difficult, or a combination of both options.

17. The Council took note of this information and further noted that Nicaragua was developing an innovative pilot micro-insurance scheme (see document [CG-21/14](#)). Finally the Council took note of documents [ICC-113-7](#) and [ICC-113-8](#), respectively containing reports on obstacles to consumption and on mixtures and substitutes.

**Item 7: Global Coffee Forum**

18. The representative of the EU-Italy reported on preparations to host the Global Coffee Forum in Milan in September 2015 on the occasion of EXPO Milan which would take place from 1 May to 31 October 2015, on the theme of 'Feeding the Planet, Energy for Life.' Over 140 countries would participate in the event. One of the most innovative features was a cluster model, which would group countries by theme rather than by geographical criteria. Coffee was one of nine thematic clusters, which would enable visitors to experience the entire coffee value chain. In March 2014, the Council had agreed that Italy should host the 1<sup>st</sup> Global Coffee Forum at the time of Expo Milan 2015, and had also agreed that the 1<sup>st</sup> International Coffee Day should be launched on 1 October 2015. A preparatory Committee had been set up chaired by the Minister for Agriculture and Forestry, and Fiera Milano Congressi would take the lead in organizing the event. The Council would be held from 28 to 30 September 2015, and would be followed by the Global Coffee Forum on 1 and 2 October which would be held at the Stella Polare Congress Centre. The content of the

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<sup>1</sup> The issue of CLR was further discussed under Item 9 (see paragraph 23).

Forum would be developed around the three pillars of pleasure, health and sustainability. Fiera Milano would develop a detailed programme for the Forum, in collaboration with the ICO, and required input from the ICO on the aims, target audience and format of the event. In the case of International Coffee Day, the target audience was the general public. There would be a range of activities including a coffee itinerary in the Expo site, guided tours, a photo exhibition in Milan, and fundraising and other events. The 1<sup>st</sup> International Coffee Day would be launched on 1 October 2015, with a bigger, jointly organized event. Oxfam had proposed a ‘caffè sospeso’ campaign for the Day which would enable donors to contribute money for Oxfam’s projects (see Item 12.2). The Council took note of this information.

**Item 8: World Coffee Conference**

19. The Council noted that, as decided in March 2014, Ethiopia would host the 4<sup>th</sup> World Coffee Conference which would take place in Addis Ababa, in March 2016. The representative of Ethiopia said that activities undertaken to date included establishing a national committee of government and private sector stakeholders. Subcommittees had been established to deal with public relations, exhibitions, the Conference and other areas, and budgets had been prepared for each subcommittee. The Conference would have the objective of improving the living standards of stakeholders in the coffee sector and would facilitate consultations on international coffee production, the coffee market, finance, supply, environmental conservation, coffee certification and other issues. Preparations were already underway and the Government would liaise closely with the ICO on the arrangements. The representative of Ethiopia expressed his appreciation to the representatives of Guatemala, Switzerland, Uganda and the USA who had offered to participate in a task force to assist with the preparations for the Conference, and also thanked the Africa region for its support. A more detailed presentation would be made in March 2015, including on the theme and title of the Conference, which would reflect the priorities of the ICO and the region. The Government of Ethiopia would confirm the nomination for the Chairperson of the Conference in due course and the Chairperson would be appointed by the Council at its next Session. The Council took note of this information.

**Item 9: Programme of Activities**

*Implementation of Programme of Activities for 2013/14*

20. The Head of Operations said that in March 2014, the Council had requested the Executive Director to prepare a report on the status of implementation of the Programme of Activities for the current coffee year for each Council Session, in addition to a report on the implementation of the previous coffee year for the first Council Session in March each year. Document [ICC-113-5](#) contained a report on the implementation of the Programme of Activities for 2013/14 as at 1 June 2014. The final report on implementation of activities in

2013/14 would be presented to the Council in March 2015, together with a report on the status of implementation of the 2014/15 Programme of Activities. Comprehensive reports on progress on achieving the objectives of the ICA 2007 were also presented to all Members on an annual basis in the form of the Annual Review.

21. The Head of Operations also reported that the ICO had introduced a newsletter which provided information about developments at the ICO and links to all ICO documents. The Secretariat was currently rewriting the entire website and would launch a new website later this year, with management of the website to be brought in-house. The Seminar on 'Achieving sustainable supply in the coffee market' held in March 2014 had been organized in collaboration with Informa. It had generated £3,587 in revenue for the ICO from 40 paying participants and it was hoped to repeat this collaboration in future years. Finally, he said that the ICO had appreciated the collaboration of two interns from Switzerland and Colombia on a range of issues and hoped to continue the internship programme in 2014/15.

*Programme of activities for 2014/15*

22. The Head of Operations said that the programme of activities for 2014/15 contained in documents [WP-Council 242/13 Rev. 1](#) and [Add. 1](#) was based on the Action Plan (document [ICC-105-19 Rev. 3](#)). The cost of specific activities was estimated at £49,000 and had been incorporated into the Administrative Budget for financial year 2014/15 approved in March 2014. The Council had noted in March 2014 that the programme could be approved, however there had been a request to revise it to include indicators and expected outputs, including outputs for routine activities, to help measure performance. Outputs and indicators could be further developed as part of the strategic review of the ICO goals (see Item 11).

23. In discussions on this item, the importance of activities to address CLR was highlighted given the impact of CLR on the Central American region. The document only included one activity relating to a summit on CLR, however there was a need to take other actions. The Executive Director said that he had visited each of the countries affected in the region and had also explored cooperation with multilateral agencies such as the World Bank and the Inter-American Development Bank (IDB). Raising support to address CLR continued to be a priority for the ICO. The Council took note of this information and further noted that the Secretariat was exploring cooperation with World Coffee Research on the 2<sup>nd</sup> International Coffee Rust Summit in 2015 and that, as reported by the Chairperson of the PSCB, it was possible that the Coffee Rust Research Centre (CIFC) of Portugal would be relocated to Texas.



24. The Council took note of document [ICC-113-5](#) containing a report on the implementation of the programme of activities for 2013/14 and approved documents [WP-Council 242/13 Rev. 1](#) and [Add. 1](#) containing the programme of activities for 2014/15.

**Item 10: Consultative Forum on Coffee Sector Finance**

25. The Chairperson of the Forum said that the 4<sup>th</sup> Consultative Forum had taken place on 23 September 2014 and had been very successful. The Core Group had discussed the next steps at its meeting on 25 September 2014 and had agreed that the next Forum should take place in March 2015 to avoid losing momentum. It should be a practical event which would cover the preparation and structure of project proposals and formalities for submitting proposals to funding institutions, with a view to assisting Members in obtaining finance for projects. The World Bank and Inter-American Development Bank had already confirmed that they would participate and the Secretariat would invite other organizations to attend. The Council expressed its appreciation to the Chairperson for his excellent work in preparing for and chairing the 4<sup>th</sup> Forum.

**Item 11: Strategic review of the ICO**

26. The Council noted that the issue of a task force to review the strategic goals of the Organization would be considered in March 2015, when the results of the review of ICO project activities and other areas of work would be available.

**Item 12: Report by Chairpersons of ICO bodies**

**Item 12.1: Private Sector Consultative Board (PSCB)**

27. The Vice-Chairperson of the PSCB, Mr Ric Rhinehart of the Specialty Coffee Association of America (SCAA), said that the PSCB had met on 24 September 2014. The report of this meeting was subsequently circulated as document [PSCB-142/14](#). The PSCB had received a presentation by the Chairperson of the Vision 2020 task force. There was broad support for the concepts around collective impact strategies and the work that might be undertaken through such collaboration. The PSCB was very supportive of this initiative and looked forward to a positive response from the Council. Members had also received a valuable presentation from the Executive Director of World Coffee Research (WCR). Coffee leaf rust had had a huge impact on the Central American region and continued to do so. One of WCR's activities involved developing rust resistant varieties of high yielding coffees. The capacity to screen genetic material for rust resistance was critical to this activity and was only undertaken by the Coffee Rust Research Centre (CIFC) in Portugal which had budgetary constraints and was no longer providing this important service. The PSCB encouraged the



Council to work with Governments with an interest in finding resources for the CIFC to enable it to continue its excellent work in Portugal. If funding was not found, there was an alternative option; the US Department of Agriculture was willing to provide a facility through the University of Texas A&M in conjunction with WCR to host a rust screening facility in Texas if necessary. The PSCB wished to stress to the Council that this situation was a matter for great concern and all possible solutions should be explored. The representative of the Coffee Quality Institute (CQI) had made a presentation on 'Leveraging capabilities to meet supply chain risks: the CQI's partnership for gender equity'. Interested Members and private sector representatives were invited to collaborate on the strategy for this initiative. The representative of the National Coffee Association of USA (NCA) gave an overview of consumption in the US market which remained strong with continued growth in specialty coffee. The PSCB also received updates on food labelling, acrylamide and the evaluation of caffeine by the European Food Safety Authority (EFSA). Oxfam's Head of Communications had outlined a proposal to engage with the ICO on International Coffee Day activities. The PSCB continued to be very supportive of International Coffee Day and was interested in possibilities to align with other actors on this activity. Finally the PSCB and producing Members agreed to provide assistance to Indonesia in identifying the frequency of VAT on green coffee in exporting countries and providing some background on this.

28. The Council expressed its appreciation to Mr Rhinehart for chairing both meetings of the PSCB in 2013/14 and took note of this report. The Council further noted that the CIFC was facing financial difficulties, and all Members should assist with finding solutions in view of the importance of its work.

**Item 12.2: Promotion and Market Development Committee**

29. The Chairperson of the Promotion and Market Development Committee, Mr Andrea Illy of EU-Italy, said that the Committee had met on 24 September 2014. The report of this meeting was subsequently circulated as document [PM-40/14](#). The Committee had noted that an organizational Committee for Expo Milano and the Global Coffee Forum had been established, chaired by the Minister for Agriculture and Forestry of Italy. The Forum would take place on 1 and 2 October 2015 on the theme of the three virtues of pleasure, health and sustainability. The format was likely to include a Round Table as well as plenary sessions. Leading organizations researching sustainability and issues such as carbon and water footprints and climate change would participate, and evidence about quality and the experience of coffee in relation to consumption would be presented. The new tagline would be 'coffee is life'. It was hoped that the Global Coffee Forum would be the first in a series of such events. The Committee decided to recommend to the Council that the target audience of the Forum should be coffee delegates, experts and consumer associations, with extensive participation by the press. Members had also received a report on the implementation of

the ICO Communications Strategy. Social media provided a cheap and effective way of reaching audiences, and content posted on social media sites such as Facebook could help to alert journalists to ICO news. A new blog had increased awareness of the ICO's activities; the Organization's visual identity had been refreshed; a newsletter had been introduced to target messages to different audiences and a company had been appointed to redesign the ICO website. The ICO had also established a partnership with the Global Coffee Report and the Executive Director's column in this publication could be viewed on the ICO blog. The first annual International Coffee Day would be launched during Expo Milano on 1 October 2015. Oxfam had made a proposal to be the designated charity for the Day, based on the concept of 'caffè sospeso'. The International Women's Coffee Alliance (IWCA) was also interested in being a partner in this initiative, and had held a preliminary meeting with Oxfam to discuss potential collaboration. The Committee noted that further clarification was needed on the kinds of projects to be funded, cooperation between both institutions, financial management and potential risks to the ICO. It was suggested that there should be a flexible time frame and that it should be possible to accommodate other initiatives and institutions interested in participating in International Coffee Day. The Committee had noted that the Secretariat would circulate a draft paper to Members during the 113<sup>th</sup> Session to enable the Council to agree in principle to this initiative. Following the meetings the Secretariat would communicate with Members electronically in order to reach a final decision as soon as possible on the arrangements, with comments to be received by the end of October or November 2014. If no negative feedback was received by the deadline, the ICO could then proceed on this basis, rather than waiting until March 2015. The Committee had also taken note of reports on the Coffee Quality-Improvement Programme and gradings for Arabica and Robusta coffees for calendar years 2005 to 2013 and from January to June 2014. Finally, the Committee took note of a presentation on the promotion of consumption in Mexico which would contribute both to increasing domestic consumption and quality, and benefit the world coffee market as a whole.

30. The Council further noted the need for a framework for participation of non-governmental organizations (NGOs) in International Coffee Day. Given that Expo Milan would start on 1 May 2015, there was a need to take a decision well in advance to ensure that interested participants had sufficient time to organize activities and events. Oxfam was ready to organize the initiative by itself and the Chairperson of the Promotion and Market Development Committee had suggested the partnership within the framework of International Coffee Day to enable the ICO to ensure that activities were in the best interests of Members and respectful of the spirit of the ICA 2007.

31. The Council agreed to establish a working group composed of Bolivia, Brazil, India and Papua New Guinea as exporting Members<sup>2</sup>, and Switzerland and the USA as importing Members. The working group would review the issues in detail and, if it could reach consensus, could be authorized to reach a decision on a strategy and criteria for the participation of NGOs in International Coffee Day. If it was not possible to reach consensus, the matter would be further discussed in March 2015. The Council noted that other Members were interested in being kept informed of progress on this initiative, and that Members should have the right to have the final say on the agreement.

32. Regarding document [PM-37/14 Add. 1](#) containing a draft proposal received from Oxfam, the Council noted that Members would need further time to consider this as it had only just been circulated. Preliminary suggestions included rewording the text to allow for more than one official partner, such as ‘an official partner’. The document should also clarify if there are any financial or legal implications for the ICO, as well as provide information about the nature of projects to be funded and priorities such as increasing the income of farmers, labelling, sustainable production, promoting coffee consumption and others. The proposal would be considered by the working group after this Session, together with a document setting out guidelines for the participation of NGOs in International Coffee Day which would be prepared by the Secretariat, and would include the pros and cons of the proposal and address points raised by Members during the Council Session and the meeting of the Promotion and Market Development Committee. Members noted that the Secretariat would circulate this document shortly to the working group.

**Item 12.3: Statistics Committee**

33. The Chairperson of the Statistics Committee, Mr Brendan Lynch of the USA, said that the Committee had met on 24 September 2014. The report of this meeting was subsequently circulated as document [SC-44/14](#). Members had discussed reports on compliance with statistics, exports to exporting countries, inventories, organic coffee as well as ICO technical assistance. The Committee had received a presentation on the work of the Statistics Round Table which included experts from coffee traders, roasters and independent analysts, and had noted that this was mutually beneficial for the experts and the statistical work of the ICO. The Committee had endorsed three recommendations by the Round Table: that the ICO should adjust the way that it calculated consumption in the European Union (EU) by treating it as a bloc instead of individual Member countries; that changes in port stocks in the EU should not be used to calculate consumption with a view to increasing accuracy of EU numbers and that, given discrepancies found between the ICO statistical balances and published stock change figures, the Round Table should discuss

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<sup>2</sup> Uganda subsequently confirmed its interest in participating in the working group after the Session.

production estimates and analyse production numbers. The Committee had also discussed Certificates of Origin which would form part of its remit in the future, and compliance with statistics by exporting countries, particularly the Coffee Quality-Improvement Programme (CQP). There was concern that some Members were not complying with the CQP and as a result there was a need to analyse the Programme and to adjust it in the future. The ICO should continue to encourage countries to provide data for the CQP. The Committee also discussed the ICO policy on dissemination of data, which was last updated in 2002. There were a number of options for dissemination of information, such as whether data should generate revenue or be free of charge, and Members would discuss the policy in more detail in March 2015. The Council took note of this information and approved the recommendations of the Committee on these issues.

**Item 12.4: Projects Committee**

34. The Chairperson of the Projects Committee, Ms Ina Grohmann of EU-Germany, said that the Committee had met on 22 September 2014. The report of this meeting was subsequently circulated as document [PJ-81/14](#). The Committee had received a presentation on follow up to discussions at the previous meeting on challenges for ICO projects in the light of changes in funding from the Common Fund for Commodities (CFC). The new role of the Organization could include enhancing the involvement of the Secretariat in project design; ensuring that development projects included a profitability component, strengthening the ICO's role in disseminating project outcomes; and fundraising activities. Members had noted the need for the future role of the ICO in projects to be further developed. The 4<sup>th</sup> Forum would be a good first step in this direction, and the Committee could build on discussions and proposals made during the Forum and discuss this further in March 2015. Members had reviewed the revised Development Strategy for Coffee and had decided to recommend that the Council should approve both this document and the revised document containing basic information on the submission of project proposals for financing (document [PJ-75/14](#)). The assessment document used by the Virtual Screening Subcommittee (VSS) and the revised terms of reference for the VSS would be revised to reflect comments made by Members and the future role of the ICO in projects, and would be considered at the next meeting. The Task Force of Members established to review projects in the pipeline had recommended that 18 projects should be removed, four should be retained and three should be revised (see [PJ-76/14](#)). The next steps would be for the Secretariat to contact the original proponents to discuss alternative sources of finance and potential revisions to the proposals. Countries wishing to retain projects which had been recommended for removal from the pipeline should revise and resubmit them to the ICO, taking into account new criteria and working with the Secretariat to ensure that they continued to be relevant. To avoid projects accumulating in the future, the Committee

recommended that there should be a deadline of two years for keeping a project in the pipeline from the time that it was endorsed by the ICO. The Committee had also received a report on projects under implementation and had taken note of a presentation on the project entitled 'Building capacity in coffee certification and verification for specialty coffee farmers in AFCA Countries'. Finally the representative of the CFC had reported on the Fund's policies and coffee projects funded through its open call for proposals. The Council took note of this information and approved the recommendations of the Committee on these issues.

**Item 12.4.1: Projects for endorsement by the Council**

35. The Council noted that the Committee had considered a proposal entitled 'Promotion of a sustainable coffee industry in the Central African Republic' contained in document [PJ-77/14](#), which would be reformulated and considered by the Committee at a future meeting. In the case of the 'Valorization of the Ethiopian coffee origins for marketing improvement' project contained in document [PJ-46/13 Rev. 1](#), the Virtual Screening Subcommittee had considered the revised proposal in March 2014 and had recommended endorsing it as the relevant technical comments had been incorporated. On the recommendation of the Committee, the Council decided to endorse this proposal for submission to donors.

**Item 12.5: Finance and Administration Committee**

36. The Chairperson of the Finance and Administration Committee, Mr Aly Touré of Côte d'Ivoire, said that the Committee had met on 22 and 25 September 2014. The report of this meeting was subsequently circulated as document [FA-88/14](#). With respect to the financial situation the Committee noted that, while there was an overall surplus above what was expected in the Budget, this would be offset by a charge to the Reserve Fund at the year end due to the three redundancies. The Committee also reviewed document [FA-85/14](#) concerning the premises. The landlord had proposed taking back responsibility for the second floor from 31 March 2017; the existing rent would be extended until March 2019; and the new lease would run for 12 years from 2017, with reviews in 2019 and 2024. The three options analysed in the document included continuing with the status quo, agreeing to the landlord's proposal and moving to another London location. The Committee requested the Secretariat to research alternative areas in London so that it could review the outcome of this research at the next meeting and make a recommendation at that time. The Committee had discussed the question of three redundancies made in October 2013 and had agreed that the Executive Director should make a final offer to a former employee who had not been paid the termination payment, on condition that this was the final offer. The

Committee expressed its support for the Executive Director for the way in which he had conducted this affair. With respect to outstanding contributions, the Committee noted that Sierra Leone had not been able to meet the payment terms set out in [Resolution 450](#) and its votes had been suspended. The Committee had considered document [FA-84/14](#) concerning the historical development of the payment of contributions. A number of Members were paying contributions late which had an adverse effect on the ICO's finances, particularly its cash flow. The Secretariat had been requested to explore with other international organizations what measures might be taken to encourage prompt payment. Members had also requested the Secretariat to circulate a list of Members with suspended votes when their votes were suspended (i.e. in April 2015), to enable this matter to be reviewed at the next meeting. The Committee had recommended that the Council should reappoint Nexia Smith & Williamson as auditors for 2014/15, and had further recommended that the Council should approve the list of existing banks with which the Organization could conduct normal banking business. Regarding the Special Fund, in March 2014 a Committee of three exporting Members composed of Brazil, Côte d'Ivoire and Indonesia had been established to discuss the use of the Special Fund, and the Committee had asked the Executive Director to raise this issue with the Council in March 2015. Finally, the Committee had received a request to appoint an external consultant to conduct a review and comparison of the Staff Regulations and Rules within certain international organizations, to be financed by the European Union, and had recommended that the Council should accept this proposal. The Council took note of this information and approved the recommendations of the Committee on these issues. Finally, the Council noted that the Administrative Budget for the financial year 2014/15 had been approved in March 2014.

**Item 13: Food safety**

37. The Head of Operations reported that the PSCB had received an update on food safety issues including acrylamide and the evaluation of caffeine by the European Food Safety Authority (EFSA). EFSA was continuing to review scientific data regarding caffeine and health claims and the outcome of this review should be available by the time of the next meeting. The Council took note of this information.

**Item 14: Coffee research**

*Coffee genome*

38. Professor Giorgio Graziosi of the University of Trieste made a presentation on the results of the Arabica genome sequencing project. The Council expressed its appreciation for this presentation, a copy of which is available on the ICO website at <http://dev.ico.org/documents/cy2013-14/council-seq-ico.pdf>.

*Coffee and climate (c&c)*

39. The representatives of the c&c initiative made presentations on coffee and climate change and the activities of c&c, copies of which are available on the ICO website. These presentations were followed by an opportunity after the Council Session to further discuss issues such as what could be done to support this initiative and what small farmers required to adapt to climate change. In discussions on the proposal to establish an association to host the c&c toolbox, it was suggested that the 4C Association and c&c could collaborate on hosting it rather than establishing a new association. The Council expressed its appreciation for these excellent presentations which highlighted the losses from climate change and impact of this on farmers.

**Item 15: Cooperation with other agencies**

40. The Council noted that the Executive Director had participated in the Latin American Summit on Coffee held in Mexico in August 2014 and had made a presentation on the global coffee market situation. The Executive Director now had a new regular column in the Global Coffee Report, where he highlighted issues such as the need for more public-private investments in coffee research to protect farmers from drought and disease. The Head of Operations had attended c&c meetings and had met representatives of the Arthur Dobbs Institute to discuss the work of this organization. He had also participated as a panellist at the Hivos Coffee Conference in Amsterdam in July 2014, and had held preliminary discussions with CABI regarding a partnership to disseminate the results of all ICO projects. Further information about this proposal would be reported at the next meeting.

41. Document [WP-Council 249/14](#) contained an updated document on coffee and climate change which would be discussed in more detail at the next Session. The Executive Director had been invited to participate in the UN Climate Change Summit taking place during the week of 113<sup>th</sup> Council Session and the Executive Secretary of the United Nations Framework Convention on Climate Change (UNFCCC) had made a video with an address to ICO Members which was available on the ICO website. Assisting Members in securing financing to implement mitigation and adaptation measures was a priority for the Organization, which could act as a platform for helping Members in accessing funds during the coming coffee year.

42. The Council took note of this information and also noted the need to secure finance to address coffee and climate change. The Council further noted that document [WP-Council 248/14](#) contained a proposal for a Memorandum of Understanding between the ICO, the 4C Association and the Sustainable Trade Initiative (IDH) to establish a multilateral partnership



for public-private collaboration in the coffee sector. This proposal would be discussed with Members during the next six months prior to considering it at the 114<sup>th</sup> Council Session in March 2015. Finally, the Council welcomed the announcement by the US Agency for International Development (USAID) that it would provide US\$10 million in food assistance for coffee producers in Central America affected by drought and coffee leaf rust.

**Item 16: Office holders and committees**

**Item 16.1: Chairperson and Vice-Chairperson of the Council**

43. In accordance with the procedures provided for in Article 10 of the 2007 Agreement, the Council elected the following office holders for the Council for 2014/15:

Chairperson: Mr Conradin Rasi (Switzerland)

Vice-Chairperson: H.E. Mr Iván Romero-Martínez (Honduras)

**Item 16.2: Chairperson and Vice-Chairperson of the Forum for 2014/15**

44. The Council appointed the following office holders for the Consultative Forum on Coffee Sector Finance for 2014/15:

Chairperson: Mr Juan Esteban Orduz (Colombia)

Vice-Chairperson: Mr Brendan Lynch (USA)

**Item 16.3: Core Group**

45. The Council re-appointed the following advisors to the Core Group for 2014/15:

- Marc Sadler (Team Leader, Agricultural Finance and Risk Management Unit, Agriculture and Rural Development Department, The World Bank)
- Noemí Pérez (Executive Director, Finance Alliance for Sustainable Trade)
- Silas Brasileiro (Executive Chairperson, National Coffee Council, Brazil)
- Nicolas Tamari (Chief Executive Officer, Sucafina S.A.)

46. The Council noted that the composition of the Core Group for 2013/14 and 2014/15 would be expanded to include Uganda and Ethiopia as exporting Members, as the Group was open to participation by interested Members.

**Item 16.4:                   Composition of Committees**

47.     The Council decided that the composition of Committees in 2014/15 should be as follows:

*Promotion and Market Development Committee*

Exporting Members:             Brazil, Cameroon, Colombia, Ecuador, India, Indonesia, Mexico and Tanzania

Importing Members:            European Union, Switzerland and the USA

*Projects Committee*

Exporting Members:             Brazil, Colombia, Côte d'Ivoire, Ecuador, Honduras, India, Indonesia, Kenya

Importing Members:            European Union, Switzerland and the USA

*Finance and Administration Committee*

Exporting Members:             Brazil, Colombia, Côte d'Ivoire, India, Indonesia and Mexico

Importing Members:            European Union, Norway, Switzerland, the USA

*Statistics Committee*

Exporting Members:             Brazil, Colombia, Costa Rica, Gabon, Ghana, India, Indonesia, Nicaragua

Importing Members:            European Union, Switzerland and the USA

48.     No nominations were made for the composition of a Steering Group on Promotion.

**Item 17:                   National coffee policies**

*Mexico*

49.     The representative of Mexico introduced a video about promotion of consumption in Mexico.

*Cuba*

50. The representative of Cuba made a presentation on an International Agroforestry Convention which would take place in Havana, Cuba from 14 to 17 April, and which would include the 2<sup>nd</sup> International Congress of Coffee and Cocoa. A copy of his presentation is available at the ICO website at <http://dev.ico.org/documents/cy2013-14/council-cuba.pdf>.

*African and Malagasy Robusta Coffee Agency (ACRAM)*

51. The representative of ACRAM made a presentation on ACRAM. Further information about this agency was circulated in document [ICC-113-9](#).

*Central African Republic*

52. The representative of the Central African Republic made a statement to the Council, requesting support from donors and international organizations for his country to develop its great agricultural potential, in particular coffee. A copy of his statement was circulated as document [ICC-113-10](#). The Chairperson said that the appeal for support for the coffee sector by the Central African Republic would be submitted to new sources of financing once these became available, and requested the Executive Director to give high priority to this request.

*12<sup>th</sup> AFCA Conference*

53. The representative of Kenya made a presentation on the 12<sup>th</sup> AFCA Conference to be held in Nairobi, Kenya from 12 to 14 February 2015.

54. The Council took note of this information. Copies of presentations made under this item are available on the ICO website.

**Item 18: Other business**

*Sierra Leone*

55. The Council observed a minute's silence to mark the death of Mr Ibrahim Key Turay, Executive Secretary of the Produce Marketing Board of Sierra Leone, who died on 15 June 2014.

*Brazil*

56. The Council welcomed the new Permanent Representative of Brazil, H.E. Mr Cláudio Frederico de Matos Arruda. The Council also expressed its appreciation to the former Permanent Representative of Brazil to the ICO, H.E. Mr Pinta Gama, who had done exemplary work and proposed that a motion of congratulations and thanks should be sent to him to acknowledge his service to the ICO.

*Coffee*

57. The Council expressed its appreciation to the following countries that had provided coffee for the meetings: Cameroon, Colombia, Côte d'Ivoire, Cuba, Ethiopia, India, Indonesia, Kenya, Malawi, Mexico and Tanzania.

**Item 19: Future meetings**

58. The Council noted that its next Session would take place in London, United Kingdom from 2 to 6 March 2015.

59. The Council further noted that Members wishing to propose topics for discussion at the next Council Session should do so well in advance so that information about these issues could be circulated to Members. Finally the Council noted that the Secretariat should circulate all documents and information about technical matters well in advance to enable Members to prepare for the meetings.



**INTERNATIONAL  
COFFEE  
ORGANIZATION**

**ICC** Resolution 454

22 September 2014

Original: English

**E**

**International Coffee Council**

113<sup>th</sup> Session

22 – 26 September 2014

London, United Kingdom

**Resolution number 454**

APPROVED AT THE FIRST PLENARY MEETING,  
22 SEPTEMBER 2014

**Extension of the time limit for  
ratification, acceptance, approval or accession**

WHEREAS:

Paragraph (3) of Article 40 of the International Coffee Agreement 2007 stipulates that the Council may decide to grant extensions of time to signatory Governments that are unable to deposit their instruments by 30 September 2008;

Under the terms of paragraph 1 of Resolution 452 the period for the deposit of instruments of ratification, acceptance or approval of the International Coffee Agreement 2007 is further extended to 30 September 2014;

Under the terms of paragraph 1 of Resolution 452, Governments eligible for membership in accordance with Article 43 of the Agreement may accede by depositing an instrument of accession with the Organization no later than 30 September 2014 or such other time as the Council may decide; and

A number of Governments have indicated that they require additional time to deposit the required instruments,

THE INTERNATIONAL COFFEE COUNCIL

RESOLVES:

To extend the period for the deposit of instruments of ratification, acceptance or approval of the International Coffee Agreement 2007 with the Depositary under the provisions of Article 40 of the Agreement and of Resolution 452 from 30 September 2014 to 30 September 2015.

To extend the period for the deposit of instruments of accession to the International Coffee Agreement 2007 with the Depositary under the provisions of Article 43 of the Agreement and of Resolution 452 from 30 September 2014 to 30 September 2015 or such other time as the Council may decide.