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**Strategic review of the ICO  
Draft Concept Note**

SUBMITTED BY THE EUROPEAN UNION,  
SWITZERLAND AND THE UNITED STATES

### **Background**

This document contains a Draft Concept Note with regard to undertaking a strategic review of the ICO. It has been submitted by the European Union, Switzerland and the United States. The Secretariat welcomes the Draft Concept Note and would like to invite Members to comment on it during the week of the 114<sup>th</sup> Session of the Council in March 2015.

### **Action**

The Council is requested to consider this document.

## STRATEGIC REVIEW OF THE ICO

### DRAFT CONCEPT NOTE

#### Background

In order to succeed in the worldwide marketplace of international organizations, the ICO Secretariat must be able to draw on a sharp, well-focused and soundly derived organizational strategy. The strategy should enable the Secretariat to take advantage of opportunities, to avoid risks, to allocate its scarce resources effectively toward predetermined priorities, and thus deliver the best possible service to its Member countries. In other words: the clearer the strategic direction provided by Member countries, the easier it is for the Secretariat to deliver an excellent service.

It is the Member countries' duty to provide the Secretariat with such guidance on the direction and priorities of the Organization. The strategy should be realistic, easy to communicate internally as well as externally and provide an approach that can be acted on by all units of the Organization. Also, the organizational strategy of the ICO should consider macro-trends and anticipate risks within its scope of activities while ensuring the Organization is resilient and adaptive in order to respond to these external circumstances.

#### Starting point ICO

The ICO already has a number of strategic documents. The most important being the **Action Plan for the International Coffee Organization (last partially reviewed in March 2014)**; the **Belo Horizonte Declaration** is another potentially strategic document as is, of course, the **International Coffee Agreement 2007** itself.

Taken together, these documents constitute the framework and objectives of the ICO. This having been said, there is room for improving the existing strategic basis of the ICO, including the carving out of a clearer and stronger focus on key strategic priorities of its Members and a consequent greater anchoring of these priorities in a measurable timeline.

## **Objective**

Against this background, the objective of proceeding to a strategic review of the ICO is to **sharpen the strategic focus and relevance of the Organization** and thus **to provide the Secretariat with the necessary guidance** in order to ensure that the decisions and work undertaken by the staff of the Secretariat will contribute to achieving the overarching set of strategic targets in clearly defined timeframes. **Ultimately, the objective is to strengthen the ICO, so that the Organization's resources are efficiently allocated, to target the priorities of the Member countries, and to pave the way for a successful future.**

## **Strategic review process**

The organizational strategy of the ICO should be assessed and sharpened so that it fulfils the above mentioned criteria. The assessment should take into account:

- The existing documents of a strategic nature.
- Input from the Secretariat.
- Input from Member countries.
- Input from outside sources and actors familiar with the sector, other international commodity organizations, as well as with the private sector (producers, traders etc.), international institutions (DFC, World Bank, etc.).

Based on the assessment, the review should include recommendations to the ICO Secretariat on areas of improvement and ways the Organization can be strengthened.

## **Options going forward**

- a) Take no action and continue on the current strategic basis.
- b) Approve the process laid out above to begin a strategic review.

## **Options for implementation**

- a) In-house strategic review led by the Secretariat and a working group of Member countries.
- b) Mandate an external strategy consultant (via a transparent tendering process) who will guide the process and involve all necessary actors.

## **Funding**

Funding will only be necessary under above option b), i.e. if an external consultant is tasked with carrying out a strategic review.

Based on initial informal estimates from industry experts and consultants, the Secretariat can expect that a strategic review provided by an external consultant will cost the ICO between US\$15,000 (£10,000) and US\$25,000 (£16,750).

There are 3 funding options:

- a) From the of ICO's core Budget.
- b) Earmarked voluntary contributions from Member countries.
- c) From a contribution of the core Budget + earmarked voluntary contributions from Member countries.