INTERNATIONAL COFFEE ORGANIZATION

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Report of the 47th meeting of the Private Sector Consultative Board held on 19 September 2018

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1. The Private Sector Consultative Board (PSCB), chaired by Mr Anil Kumar Bhandari of the India Coffee Trust (ICT), held its 47th meeting in London on Wednesday, 19 September 2018.

Item 1: Adoption of the Agenda

2. The Committee adopted the draft Agenda contained in document PSCB-157/18 Rev. 1.

Item 2: Report on the meeting of 11 April 2018

3. The Board approved the report of the meeting held on 26 September 2017 contained in document PSCB-156/18.

Item 3: How the Global Coffee Platform enables improving business environments: towards sustainable coffee regions

4. The Chair of the Global Coffee Platform (GCP), Mr Carlos Brando, gave a presentation on how to improve business environments to achieve sustainable coffee regions. GCP has programmes at different levels of development in nine countries, which account for 80% of the world's coffee production. Technology and standards are not sufficient to implement sustainable practices in coffee areas as they are not widely used, especially by smaller growers. This is regarded as the 'vicious circle' of sustainability, in which technology and standards are available but they are not used due to the lack of other resources. GCP is helping to break the 'vicious circle' by working with governments in order to create an environment that enables growers to profit from technological change. The key components of this environment are beyond the farm gate and beyond growers' control. They include training and extension services, access to a national sustainability curricula, evaluation systems, farmer organisation, efficient supply chain, and markets and financing.

5. Mr Brando stressed the important role of government in designing and implementing a coffee sustainability platform. The role of government is fundamental to break the 'vicious circle' and to create a 'virtuous circle' via direct policies or Public Private Partnerships (PPP), government investment and programmes, smart legislation and administrative decisions. GCP is working with governments to create national coffee sustainability platforms that will evaluate sustainability. The platform includes a National Sustainability Curriculum (NSC) benchmarking against a Baseline Coffee Code (BCC) and measured using NSC indicators that together with an Internal Management System (IMS) will track and evaluate sustainability and

identify sustainability gaps. This is the 'virtuous circle' of sustainability that will address sustainability gaps dynamically with continuous improvement combining economic, social and environmental areas.

6. PSCB Members took note of the presentation.

Item 4: European Standard Coffee Contract

7. Ms Eileen Gordon, Secretary General at the European Coffee Federation (ECF), presented the new European Standard Coffee Contract. She indicated that standard contracts allow users to take advantage of a set of terms and conditions that have been formulated based on practical experience. The new contract, which replaces four previous contracts, was approved by the ECF Council on 19 June 2018 and entered into force on 1 September 2018. The new contract contains three sections: Shipment, Spot/Delivery, and General. Finally, Ms Gordon stressed that the ECF is fully committed to continue cooperating in contractual issues and associated matters with representatives of exporter associations.

8. CeCafé, the Brazilian Coffee Exporters Council, mentioned that they would like to work with ECF on some suggestions to adjust Articles 3, 8, 12, 21 and 24 as exporters might be exposed to greater risks due to the specified periods in the contract and arbitration processes. Ms Gordon confirmed that the ECF will be accessible to discuss with CeCafé their suggestions.

Item 5: Partner for Gender Equity

9. Ms Kimberly Easson, Gender Advisor at the Coffee Quality Institute, explained in detail the three tools used by Partnership for Gender Equity to accelerate action within the industry and support the development of gender equity programmes in the coffee sector, which are:

- Common Measurement Framework (CMF): The framework facilitates data collection and analysis to measure progress on gender equity. The CMF provides a set of 25 core indicators that define data that is to be collected on a regular basis and that help to measure progress towards gender equity in value chain participation, access to productive resources and return of benefits. Not all the indicators need to be integrated at once, a subset can be selected. The CMF can be applied across various interventions and field level projects by industry actors at different points in the coffee value chain to assess return on investment and development outcomes. The development of the CMF was based on extensive engagement with industry actors.

- Engagement Guide: The Guide provides a roadmap and resources for industry actors to engage in conversations about gender equity and identify actions to support gender equity in their own organisations and with supply chain partners.
- Validated Project Methodology: This methodology is based on the theory of change and provides industry actors with a road map for managing a gender-related project in their own supply chain. The methodology involves eight steps towards implementation and impact: define, learn, plan, launch, manage, monitor, follow-up and evaluate, which help to identify the risks and rewards of gender investment.

10. Finally, Ms Easson invited the PSCB members to participate in a webinar on International Coffee Day (1st October) and to watch the 'Gender in Coffee' documentary, available online.

11. PSCB Members took note of the presentation

Item 6: PSCB Chair and Vice-Chair for 2018/19

12. Members of the PSCB were requested to elect a Chair and Vice Chair for coffee year 2018/19. No consensus was reached, therefore it was agreed that this item would be discussed during the producing Members meeting.

Item 7: Other business

13. There was no other business.

Item 8: Date of next meeting

14. The Board noted that the next meeting will take place in Nairobi, Kenya, during the 124th Council Session.